



**ANNUAL BUDGET OF
DAWID KRUIPER MUNICIPALITY**

**2019/2020 TO 2021/2022
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

**Approved by Council on
28 May 2019**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	MEC	Member of the Executive Committee
ASGISA	Accelerated and Shared Growth Initiative	MFMA	Municipal Financial Management Act
BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CBD	Central Business District	MMC	Member of Mayoral Committee
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
CM	City Manager	MSA	Municipal Systems Act
CPI	Consumer Price Index	MSCOA	Municipal Standard Chart Of Accounts
CRRF	Capital Replacement Reserve Fund	MTEF	Medium-term Expenditure Framework
DBSA	Development Bank of South Africa	MTREF	Medium-Term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NERSA	National Electricity Regulator South Africa
DWA	Department of Water Affairs	NGO	Non-Governmental organisations
EE	Employment Equity	NKPIs	National Key Performance Indicators
EEDSM	Energy Efficiency Demand Side Management	OHS	Occupational Health and Safety
EM	Executive Mayor	OP	Operational Plan
FBS	Free basic services	PBO	Public Benefit Organisations
GAMAP	Generally Accepted Municipal Accounting Practice	PHC	Provincial Health Care
GDP	Gross domestic product	PMS	Performance Management System
GDS	Gauteng Growth and Development Strategy	PPE	Property Plant and Equipment
GFS	Government Financial Statistics	PPP	Public Private Partnership
GRAP	General Recognised Accounting Practice	PTIS	Public Transport Infrastructure System
HR	Human Resources	RG	Restructuring Grant
HSRC	Human Science Research Council	RSC	Regional Services Council
IDP	Integrated Development Strategy	SALGA	South African Local Government Association
IT	Information Technology	SAPS	South African Police Service
kℓ	kilolitre	SDBIP	Service Delivery Budget Implementation Plan
km	kilometre	SMME	Small Micro and Medium Enterprises
KPA	Key Performance Area		
KPI	Key Performance Indicator		
kWh	kilowatt per hour		
ℓ	litre		
LED	Local Economic Development		

Part 1 – Annual Budget

1.1 Mayor's Report

In his Budget Speech to Parliament on 17 February 2010, the Minister of Finance said: *"We cannot expect to do the same old things and expect different results"*. In the past three years, the world economy has gone through its deepest recession in over 70 years. Signals are that the recovery is still fragile and many commentators caution that current positive economic trends may be short-lived and that the world economy may yet experience a second recessionary wave. Dawid Kruiper Municipality was in no way immune to the harsh economic realities associated with the recession. Among the impacts are the serious cash flow challenges currently being experienced by the municipality due to among other things the depletion of cash-backed reserves; historic expenditure patterns and a general lack of "doing business smarter".

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the Dawid Kruiper Municipality. Budgeting is primarily about the choices that the municipality has to make between competing priorities, available financial resources and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

We, as leaders, have the power to take decisions and had to take hard decisions on how we will use available resources. We cannot please everyone and everyone will not necessarily agree with these decisions.

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

We as councillors and senior management together with the inputs and comments of the local community has developed an IDP and a credible and sustainable budget with realistically anticipated revenue sources to improve the quality of our people's life. Unfortunately our needs are far greater than our available resources and therefore not nearly enough of the developmental needs identified in our developed IDP could be met with the available financial resources. It is however a worldwide problem that identified needs by far exceeds available financial resources and therefore we had to prioritise our needs and implement those projects and programmes that have the biggest affect in improving our people's quality of life.

Based on the comments and inputs received on the IDP and budget and proposed tariffs, it is recommended that Council adopt the following budget resolutions.

1.2 Council Resolutions

On 28 May 2019 the Council of Dawid Kruiper Municipality met in the Council Chambers of Dawid Kruiper Municipality to consider the annual budget of the municipality for the financial year 2019/2020. The Council approved and adopted the following resolutions:

1. The Council of Dawid Kruiper Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2019/2020 and the multi-year and single-year operating and capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 37;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 39;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 41; and

- 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 43.
- 1.2. The financial position, cash flow budget, cash-backed reserve / accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 23 on page 45;
 - 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 47;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 49;
 - 1.2.4. Asset management as contained in Table 26 on page 50; and
 - 1.2.5. Basic service delivery measurement as contained in Table 27 on page 53.
2. The Council of Dawid Kruiper Municipality is planning to, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approve and adopt with effect from 1 July 2019:
 - 2.1. The tariffs for property rates – as set out in Annexure A (Tariff List);
 - 2.2. The tariffs for electricity – as set out in Annexure A (Tariff List);
 - 2.3. The tariffs for the supply of water – as set out in Annexure A (Tariff List);
 - 2.4. The tariffs for sanitation services – as set out in Annexure A (Tariff List); and
 - 2.5. The tariffs for solid waste services – as set out in Annexure A (Tariff List).
3. The Council of Dawid Kruiper Municipality is planning to, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approve and adopt with effect from 1 July 2019 the tariffs for all other services, as set out in Annexure A (Tariff List).

4. To give proper effect to the municipality's annual budget, the Council of Dawid Kruiper Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2. That the municipality do not plan to commit to any new long term loans for the 2019/2020 MTREF.
 - 4.3. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above funding programme.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low-to high-priority programs so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. This has resulted in savings to the municipality. Key areas were savings for councillors on telephone and internet usage, printing, attending of workshops, overseas and national travel and accommodation and catering.

The municipality has embarked on implementing a range of revenue collection strategies to collect of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circulars Number 93 and 94 were used to guide the compilation of the 2019/2020 MTREF.

The main challenges experienced during the compilation of the 2019/2020 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging water, sewerage, roads and electricity infrastructure;
- The need to reprioritised projects and expenditure within the existing resource envelope given the cash flow realities;
- The increased cost of bulk water and electricity (due to tariff increases from DWA and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable – as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2019/2020 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2019/2020 MTREF:

- The 2018/2019 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2019/2020 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI; except where there are price increases in

the inputs of services that are beyond the control of the municipality, for instance the wage negotiations as well as cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The municipality did budget for two allocations that were not gazetted. As the municipality is not allowed to increase income via the Virement Policy and the adjustment budget is only approved after the festival took place; this should remain on the budget. The municipality is not allowed to increase income via virements.
- Expenditure on certain items were limited and for the following items and allocations to these items it had to be supported by a list and / or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Special Projects;
 - Consultant Fees;
 - Furniture and office equipment;
 - Special Events;
 - Refreshments and entertainment;
 - Donations;
 - Ad-hoc travelling; and
 - Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/2020 Medium-term Revenue and Expenditure Framework:

Due to the merger between //Khara Hais Municipality and Mier Municipality, no comparative totals for 2015/2016 are available. Subsequently no % increase/decrease will be shown for the 2019/2020 budget year in the tables that follow.

Table 1 Consolidated Overview of the 2019/2020 MTREF

R thousands	2016/2017 Audited	2017/2018 Adjusted	Budget Year 2018/19	2018/19 % Increase	Budget Year +1 2019/20	2019/20 % Increase	Budget Year +2 2020/21	2020/21 % Increase	Budget Year +2 2021/22	2021/22 % Increase
Total Operating Revenue	544,864	636,369	683,658	7.4%	750,171	9.7%	790,901	5.4%	833,817	5.4%
Total Operating Expenditure	576,016	710,455	749,547	5.5%	753,217	0.5%	801,343	6.4%	843,469	5.3%
Surplus/(Deficit)	(31,153)	(74,086)	(65,889)	-11.1%	(3,046)	-95.4%	(10,442)	242.8%	(9,652)	-7.6%
Total Capital Expenditure	35,364	34,192	67,652	97.9%	57,211	-15.4%	40,705	-28.9%	44,599	9.6%

Total operating revenue for 2019/2020 is R 750.171 million. For the two outer years, operational revenue will increase by 5.4% and 5.4% respectively; equating to a total revenue growth of R 83.646 million over the MTREF when compared to the 2019/2020 financial year.

Total operating expenditure for the 2019/2020 financial year has been appropriated at R 753.217 million and translates into a budgeted deficit of R 3.046 million. When compared to the respective outer years of the MTREF 2019/2020 Budget; operating expenditure grow by 6.4% and 5.3% for the two outer years. The operating deficit for the two outer years increases to R 10.442 million and R 9.652 million. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years. This depreciation is not allowed to be offset as per SA1 as the municipality is not on the revaluation model of GRAP 17. The municipality only adopted GRAR 17 with the higher DRC values, and therefore the municipality MUST budget for the full budgeted amount for depreciation, otherwise it will result in unauthorised expenditure. This depreciation is not included in the budget for tariff calculation purposes. However, the municipality can expect to generate a non-cash operating deficit when the 2019/2020 annual financial statements are compiled compliant with the Accounting Standards since this off-setting depreciation is reflected in the Statement of Financial Performance and not directly to the Statement of Changes in Net Assets.

The capital budget for 2019/2020 is R 144.420 million. The capital programme then decreases to R 87.879 million in the 2020/2021 financial year and increases then to R 105.331 million in the 2021/2022 financial year. More than half of the 2019/2020 capital

budget will be funded from own funding (revenue) over MTREF with anticipated own funding of R 87.210 million in 2019/2020, R 47.174 in 2020/2021 and R 60.733 million in 2021/2022 of the MTREF. Own funding will contribute 60.4%, 53.7% and 57.7% of capital expenditure over the MTREF; and, government grants and transfers will contribute 39.6%, 46.3% and 42.3% of capital expenditure in each of the MTREF years. No projects will be funded from external borrowing. Note that the municipality has reached its prudential borrowing limits and so there is very little scope to substantially increase these borrowing levels over the medium-term. The repayment of capital and interest (debt services costs) has substantially increased over the past four years as a result of the aggressive capital infrastructure programme implemented over the past four years. Consequently, the capital budget remains relatively flat over the medium-term.

1.4 Operating Revenue Framework

For Dawid Kruiper Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent (95%) annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing / calculating the revenue requirement of each service;

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of "free" basic services; and
- Tariff policies of the municipality.

The following Table 2 is a summary of the 2019/2020 MTREF (classified by main revenue source). In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus / (deficit).

Table 2 Summary of revenue classified by main revenue source

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source								
Property rates	75,406	93,323	99,462	100,248	100,248	106,762	112,107	118,273
Service charges - electricity revenue	242,247	257,122	316,656	292,291	292,291	332,740	352,704	372,103
Service charges - water revenue	47,585	54,408	62,987	62,614	62,614	66,057	70,066	73,967
Service charges - sanitation revenue	27,264	33,577	34,657	37,441	37,441	39,500	41,870	44,173
Service charges - refuse revenue	20,263	26,580	33,295	33,045	33,045	34,863	36,954	38,987
Rental of facilities and equipment	8,171	8,719	7,987	7,359	7,359	6,842	7,252	7,651
Interest earned - external investments	2,844	4,523	4,350	3,415	3,415	4,465	4,733	4,994
Interest earned - outstanding debtors	2,985	3,454	3,000	3,495	3,495	3,687	3,908	4,123
Fines	4,465	7,278	5,702	6,501	6,501	5,988	6,347	6,696
Licences and permits	1,571	1,581	1,986	1,060	1,060	1,118	1,185	1,251
Agency services	4,208	2,529						
Transfers recognised - operational	71,495	86,781	93,392	96,898	96,898	101,533	106,046	114,408
Other revenue	34,602	56,494	19,220	21,931	21,931	31,617	31,826	30,417
Gains on disposal of PPE	1,758		29,086	17,360	17,360	15,000	15,900	16,775
Total Revenue (excluding capital transfers and contributions)	544,864	636,369	711,778	683,658	683,658	750,171	790,901	833,817

The following Table 3 shows the percentage growth in revenue by main revenue source for the two outer years of the MTREF.

Table 3 Percentage growth in revenue by main revenue source

Description / R thousand	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2019/20	%	Budget Year +1 2020/21	%	Budget Year +2 2021/22	%
Revenue By Source								
Property rates	100,248	14.7%	106,762	14.2%	112,107	14.2%	118,273	14.2%
Service charges - electricity revenue	292,291	42.8%	332,740	44.4%	352,704	44.6%	372,103	44.6%
Service charges - water revenue	62,614	9.2%	66,057	8.8%	70,066	8.9%	73,967	8.9%
Service charges - sanitation revenue	37,441	5.5%	39,500	5.3%	41,870	5.3%	44,173	5.3%
Service charges - refuse revenue	33,045	4.8%	34,863	4.6%	36,954	4.7%	38,987	4.7%
Rental of facilities and equipment	7,359	1.1%	6,842	0.9%	7,252	0.9%	7,651	0.9%
Interest earned - external investments	3,415	0.5%	4,465	0.6%	4,733	0.6%	4,994	0.6%
Interest earned - outstanding debtors	3,495	0.5%	3,687	0.5%	3,908	0.5%	4,123	0.5%
Fines	6,501	1.0%	5,988	0.8%	6,347	0.8%	6,696	0.8%
Licences and permits	1,060	0.2%	1,118	0.1%	1,185	0.1%	1,251	0.1%
Transfers recognised - operational	96,898	14.2%	101,533	13.5%	106,046	13.4%	114,408	13.7%
Other revenue	21,931	3.2%	31,617	4.2%	31,826	4.0%	30,417	3.6%
Gains on disposal of PPE	17,360	2.5%	15,000	2.0%	15,900	2.0%	16,775	2.0%
Total Revenue (excluding capital transfers and contributions)	683,658	100.0%	750,171	100.0%	790,901	100.0%	833,817	100.0%
Total Revenue from rates and service charges	525,639	76.9%	579,921	77.3%	613,702	77.6%	647,503	77.6%

Revenue generated from rates and services charges forms a significant percentage of the revenue basket of the municipality. Rates and service charge revenues comprise more than three quarters of the total revenue mix. In the 2019/2020 financial year, revenue from rates and services charges totals R 579.921 million or 77.3%. This increases to R 613.702 million and R 647.503 million in the respective outer financial years of the MTREF. A notable trend is the how the total percentage revenue generated from rates and services have stabilised at an average of around 77.6% over the MTREF with it being 77.3% in 2019/2020, 77.6% in 2020/2021 and 77.6% in 2021/2022. This shows that the municipality tariffs are reasonably in line with their goals. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 63 MBRR SA1.

Electricity sales is the largest revenue source totalling R 332.740 million rand and increases to R 372.103 million by 2021/2022. Property rates is the second largest revenue, source totalling R 106.762 million rand and increases to R 118.273 million by 2021/2022, Transfer recognised – Operational that is in third, totalling R 101.533 million rand and increases to R 114.408 million by 2021/2022. Water is the fourth largest revenue

source, Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Note that the year-on-year growth for Operating Transfers and Grants are 13.5%, 13.4% and 13.7% for the MTREF years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description / R thousand	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:						
<u>Operating Transfers and Grants</u>						
National Government:	89,794	89,065	89,065	97,489	102,195	110,568
Local Government Equitable Share	77,934	77,934	77,934	84,895	91,837	99,543
Finance Management	4,115	4,031	4,031	3,000	3,000	3,000
Energy Efficiency and Demand Management	391	391	391	522	522	652
Municipal Infrastructure Grant	4,224	3,578	3,578	5,520	4,520	4,820
Integrated National Electrification Programme	1,826	1,826	1,826	2,243	751	793
EPWP	-	-	-	187	-	-
Water Service Infrastructure Grant	1,304	1,304	1,304	1,122	1,239	1,304
Neighbourhood Development Partnership Grant	-	-	-	-	326	457
Municipal Demarcation Grant	-	-	-	-	-	-
Provincial Government:	3,597	3,320	3,320	4,044	3,851	3,840
Sport and Recreation	2,713	2,435	2,435	3,172	3,172	3,130
DEDAT	-	-	-	222	-	-
Housing	650	650	650	650	679	710
COGHSTA	235	235	235	-	-	-
District Municipality:	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-
Total Operating Transfers and Grants	93,392	92,385	92,385	101,533	106,046	114,408

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6.0% upper boundary of the South African

Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom and DWA bulk tariffs determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services; whereas the cost drivers of a municipality are informed by items such as the cost of remuneration of salaries and allowances, bulk purchases of electricity and water, petrol, diesel, chemicals, cement, etcetera. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates partially cover the cost of the provision of general services. However, some of these costs are subsidised through profits generated from trading services (electricity and water sales). Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure (PSI) and agricultural properties relative to residential properties to be 0.25:1. The implementation of

these regulations was done in the 2009/2010 budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R 15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100% rebate may be granted to registered indigents in terms of the Customer Care, Credit Control, Debt Collection and Indigent Support Policy;
- For pensioners, physically and mentally disabled persons, a rebate of 20% to 100% (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and / or his / her spouse, if any, does not to exceed the amount of R 6 600 per month. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorised as residential.
- The Municipality may award a 100% grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organisations, institutions or organisations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply in the prescribed format and time for such a grant.
- Agricultural properties in terms of the Dawid Kruiper Municipality's Property Rates Policy may qualify for a further rebate of up to 20%. The owner of such a property must apply in the prescribed format for such a rebate before August.

A new valuation roll was implemented on the 1st of July 2014. This valuation roll is valid for a period of 4 years. The municipality has requested extension for a further 1 year. Approval was granted by the MEC for a further two years on the 6th of December 2017.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2019/2020 financial year based on the $\pm 5.5\%$ increase from 1 July 2019 is contained in Table 5 below.

Table 5 Comparison of proposed rates to levied for the 2019/2020 financial year

Category		Proposed Tariff from 1 July 2018	Proposed Tariff from 1 July 2019
		Cent / R 1	Cent / R 1
Former //Khara Hais Municipality's Tariffs			
Residential Properties	(Ratio 1.00: 1.00)	1.23078	1.29847
Residential Zone 3 Properties	(Ratio 1.00: 1.25)	1.53853	1.62315
Public Benefit Organisations	(Ratio 1.00: 0.25)	0.30769	0.32462
Undeveloped Properties	(Ratio 1.00: 2.00)	2.46155	2.59694
Business Properties	(Ratio 1.00: 1.50)	1.84617	1.94770
Industrial Properties	(Ratio 1.00: 1.50)	1.84617	1.94770
State Other Properties	(Ratio 1.00: 1.50)	1.84617	1.94770
State Residential Properties	(Ratio 1.00: 1.00)	1.23078	1.29847
Public Infrastructure	(Ratio 1.00: 0.25)	0.30769	0.32462
Institutional / Educational Properties	(Ratio 1.00: 1.50)	1.84617	1.94770
Agricultural Properties (including small holdings)	(Ratio 1.00: 0.25)	0.30769	0.32462
Resorts with access to refuse and sanitation services	(Ratio 1.00: 1.25)	1.53853	1.62315
Former Mier Municipality's Tariffs			
Residential Properties	(Ratio 1.00: 1.00)	1.07244	1.13142
Public Benefit Organisations	(Ratio 1.00: 0.25)	0.26892	0.28371
Business Properties	(Ratio 1.00: 1.50)	1.60870	1.69718
State Other Properties	(Ratio 1.00: 1.50)	1.60870	1.69718
Institutional / Educational Properties	(Ratio 1.00: 1.00)	1.07291	1.13192
Agricultural Properties (including small holdings)	(Ratio 1.00: 0.25)	0.04633	0.04888

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent households); and

- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014. Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. The municipality pumps its raw water from the Orange River and pays DWA for it.

A tariff increase of $\pm 5.50\%$ from 1 July 2018 for water is proposed. This is based on input cost assumptions (bulk water purchases from DWA); the cost of other inputs like chemicals, vehicle costs and salaries; etc. Furthermore, more tariffs were introduced for water. This is being done to ensure that the community use water sparingly and treat water as a rare commodity. In addition, 6 kl water per month will again be granted through the equitable share grant to all registered indigent households.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

Category	Proposed Tariff from 1 July 2018 (exclusive of VAT)	Proposed Tariff from 1 July 2019 (exclusive of VAT)
	Rand per kl	Rand per kl
RESIDENTIAL		
Basic charge per month	-	-
1 to 6 kl per month	6.50	6.86
7 to 18 kl per month	9.38	9.90
19 to 50 kl per month	6.75	7.12
51 to 70 kl per month	7.50	7.91
71 to 90 kl per month	8.00	8.44
91 to 150 kl per month	15.00	15.00
more than 151 kl per month	16.00	16.00
NON-RESIDENTIAL		
Basic charge per month	-	-
1 to 6 kl per month	7.80	8.23
7 to 18 kl per month	11.26	11.88
19 to 50 kl per month	8.10	8.55
51 to 70 kl per month	9.00	9.50
71 to 90 kl per month	9.60	10.13
91 to 150 kl per month	18.00	18.00
more than 151 kl per month	19.20	19.20

The following Table 7 shows the impact of the proposed increases in water tariffs (for different usages) on the water charges for a single dwelling-house.

Table 7 Comparison between current water charges and increases (Domestic)

Monthly Consumption kl	Current Amount Payable (VAT Exclusive) R	Proposed Amount Payable (VAT Exclusive) R	Difference / Increase (VAT Exclusive) R	Percentage Change
20	165.06	174.14	9.08	5.50%
30	232.56	245.35	12.79	5.50%
40	300.06	316.56	16.50	5.50%
50	367.56	387.78	20.22	5.50%
80	597.56	630.43	32.87	5.50%
90	677.56	714.83	37.27	5.50%
100	827.56	864.83	37.27	4.50%

The tariff structure of the 2019/2020 financial year has been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, starting at R 6.86 (VAT exclusive) for water consumption between 0-6kl, steadily increasing to a rate of R 15.00 (VAT exclusive) per kiloliter for consumption in excess of 91 kl per month. Tariffs above 91 kl per month was not increased.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An increase of 15.63% in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2019.

Considering the Eskom bulk purchases increases, the consumer tariff had to be increased by an average of 13.07% to offset the additional bulk purchase cost from 1 July 2019. Furthermore, it should be noted that given the magnitude of the tariff increase, it is

expected to increase growth in electricity consumption, which will have a positive impact on the municipality's revenue from electricity. Furthermore, note should be taken that should load-shedding be implemented again by Eskom, this will have a negative effect on the income from the sale of electricity.

Registered indigents will again be granted 50 kWh per month as a free basic service through the equitable share grant. Only registered indigent households receive free basic services (property rates, electricity, water, refuse removal and sanitation services). Registered indigent consumers' tariffs will increase with 13.07%.

The following Table 8 shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 8 Comparison between current electricity charges and increases (Domestic)

Monthly Consumption 60 amp (1 phase) units	Current Amount Payable (VAT Exclusive) R	Proposed Amount Payable (VAT Exclusive) R	Difference / Increase (VAT Exclusive) R	Percentage Change
100	185.12	209.32	24.20	13.07%
250	462.80	523.29	60.49	13.07%
500	925.60	1,046.58	120.98	13.07%
750	1,388.40	1,569.86	181.46	13.07%
1,000	1,851.20	2,093.15	241.95	13.07%
2,000	3,702.40	4,186.30	483.90	13.07%

It should further be noted that NERSA has advised that a stepped tariff structure for the sale of electricity needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The municipality is granted exemption for the implementation of step / block tariffs for now, although this might change in the future.

Owing to the high increases in Eskom's bulk tariffs over the last five years, it is clearly not possible to fund necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. As part of the 2019/2020 medium-term capital programme, funding has been allocated to electricity

infrastructure. These infrastructure is being funded by INEP allocations and own revenue. The total INEP funding of R 17.0 million and own funding of R 15.0 million will be used to connect 840 households in Louisvale Road and 160 households in Dakota Road.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of $\pm 5.5\%$ for sanitation from 1 July 2019 is proposed. This is based on the input cost assumptions related to sanitation services. It should be noted that electricity costs, chemical costs, and, salaries and allowances contributes approximately 45% of waste water treatment input costs.

The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the size of the improvements on the property with the argument that properties with bigger improvements on it will accommodate more people or business activities that will lead to the use more water to be discharged in the sewerage distribution networks – see calculations made in Table 9 below;
- Free sanitation services will be applicable to all registered indigents households; and
- The total revenue expected to be generated from rendering sanitation services amounts to R 39.500 million for the 2019/2020 financial year.

The following Table 9 compares the current and proposed tariffs for household, business and other consumers.

Table 9 Comparison between current sanitation charges and increases

Category	Proposed Tariff from 1 July 2018	Proposed Tariff from 1 July 2019
	Rand per month	Rand per month
HOUSEHOLD PROPERTIES		
Improvements to 70 m ²	110.33	116.00
Improvements between 71 m ² and 100 m ²	141.68	150.00
Improvements between 101 m ² and 200 m ²	217.03	229.00
Improvements between 201 m ² and 400 m ²	259.60	274.00
Improvements between 401 m ² and 600 m ²	311.52	329.00
Improvements between 601 m ² and 800 m ²	373.82	395.00
Improvements larger than 800 m ²	448.83	474.00
HOTELS, BUSINESSES AND OFFICES		
For improvements up to 200 m ²	251.26	265.00
The next 300 m ² or portion thereof	251.26	265.00
For the next 400 m ² or portion thereof above 500 m ²	251.26	265.00
INDUSTRIAL PROPERTIES		
For improvements up to 200 m ²	251.26	265.00
The next 300 m ² or portion thereof	210.83	223.00
For the next 400 m ² or portion thereof above 500 m ² to 4 100 m ²	170.13	180.00
For the next 400 m ² or portion thereof above 4 100 m ²	84.15	89.00

Above tariffs are applicable on the former //Khara Hais Municipality. The previous Mier Municipality's tariffs are available in the tariff list.

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 10 Comparison between current sanitation charges and increases, houses

Category	Current Amount Payable (VAT Exclusive) R	Proposed Amount Payable (VAT Exclusive) R	Difference / Increase (VAT Exclusive) R	Percentage Change
Improvements to 70 m ²	110.33	116.00	5.67	5.14%
Improvements between 71 m ² and 100 m ²	141.68	150.00	8.32	5.87%
Improvements between 101 m ² and 200 m ²	217.03	229.00	11.97	5.52%
Improvements between 201 m ² and 400 m ²	259.60	274.00	14.40	5.55%
Improvements between 401 m ² and 600 m ²	311.52	329.00	17.48	5.61%
Improvements between 601 m ² and 800 m ²	373.82	395.00	21.18	5.67%

Above tariffs are applicable on the former //Khara Hais Municipality. The previous Mier Municipality's tariffs are available in the tariff list.

1.4.5 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration, the vast area of the service area of the municipality that needs to be serviced and the emergence of new informal settlements.

A ±5.5% increase in the waste removal tariff is proposed from 1 July 2019.

The following table compares current and proposed amounts payable from 1 July 2019 for refuse removal services.

Table 11 Comparison between current waste removal fees and increases

Category	Proposed Tariff from 1 July 2018	Proposed Tariff from 1 July 2019
	Rand per month	Rand per month
HOUSEHOLD PROPERTIES		
Improvements less than 100 m ²	117.15	123.75
Improvements between 101 m ² and 200 m ²	171.35	181.00
Improvements larger than 200 m ²	218.35	230.50
BUSINESS PROPERTIES		
For improvements up to 1 500 m ² with minimum of 125m ²	1,725.00	1,818.75
Improvements between 1 501 m ² - 3 000 m ²	855.00	906.25
Per m ² above 3000 m ²	0.37	0.39

Above tariffs are applicable on the former //Khara Hais Municipality. The previous Mier Municipality's tariffs are available in the tariff list.

The monthly amount payable for one removal per week varies from R 123.75 (VAT Exclusive) to R 230.50 (VAT Exclusive) for a household. This tariff includes free black plastic bags. Indigent households will get this basic service free by means of an indigent subsidy through the equitable share allocation from National Government.

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a middle income household (property with a municipal valuation of R 700 000; 1 000 kWh electricity consumption and 30 kl of water consumption per month); affordable income household (property with a municipal valuation of R 500 000; 500 kWh electricity consumption and 25 kl of water consumption per month) and a low income household (property with a municipal valuation of R 300 000; 350 kWh electricity consumption and 20 kl of water consumption per month). Note that in all instances the overall impact of the tariff increases on household's bills has been kept to less than 11%, as per SA14. This is mainly due to the increase of electricity of 13.87% and the impact of the increase in VAT of 1% implemented on the 1st of April 2018. Indigent household's bills are fully subsidised where the indigent household have prepaid services. Where the indigent household have conventional services, the household will be responsible for the services received more than the subsidized amount of 6 kl water and 50kW electricity.

Table 12 MBRR Table SA14 – Household bills

Description / Rand / Cent	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Monthly Account for									
Rates and services charges:									
Property rates	622.32	662.80	702.57	702.57	702.57	–	741.21	781.98	824.99
Electricity: Basic levy	242.20	246.75	263.63	263.63	263.63	–	300.20	316.71	334.13
Electricity: Consumption	1,384.60	1,395.90	1,491.40	1,491.40	1,491.40	–	1,698.26	1,791.66	1,890.20
Water: Basic levy	–	–	–	–	–	–	–	–	–
Water: Consumption	204.30	217.56	232.56	232.56	232.56	–	245.35	258.85	273.08
Sanitation	230.00	244.92	259.60	259.60	259.60	–	273.88	288.94	304.83
Refuse removal	193.50	206.00	218.35	218.35	218.35	–	230.36	243.03	256.40
Other	–	–	–	–	–	–	–	–	–
sub-total	2,876.92	2,973.93	3,168.11	3,168.11	3,168.11	10.1%	3,489.25	3,681.16	3,883.62
VAT on Services	315.64	346.67	345.18	369.83	369.83	–	412.21	434.88	458.80
Total large household bill:	3,192.56	3,320.60	3,513.29	3,537.94	3,537.94	11.0%	3,901.46	4,116.04	4,342.42
% increase/-decrease	–	4.0%	5.8%	5.8%	5.8%	–	10.3%	5.5%	5.5%
Monthly Account for									
Rates and services charges:									
Property rates	440.62	469.28	497.44	497.44	497.44	–	524.80	553.66	584.11
Electricity: Basic levy	242.20	246.75	263.63	263.63	263.63	–	300.20	316.71	334.13
Electricity: Consumption	692.30	697.95	745.70	745.70	745.70	–	849.13	895.83	945.10
Water: Basic levy	–	–	–	–	–	–	–	–	–
Water: Consumption	175.05	186.41	198.81	198.81	198.81	–	209.74	221.28	233.45
Sanitation	192.25	204.78	217.03	217.03	217.03	–	228.97	241.56	254.85
Refuse removal	151.75	161.67	171.35	171.35	171.35	–	180.77	190.72	201.21
Other	–	–	–	–	–	–	–	–	–
sub-total	1,894.17	1,966.84	2,093.96	2,093.96	2,093.96	9.5%	2,293.61	2,419.76	2,552.84
VAT on Services	203.50	205.46	223.51	239.48	239.48	–	265.32	279.91	295.31
Total small household bill:	2,097.67	2,172.30	2,317.47	2,333.44	2,333.44	10.4%	2,558.93	2,699.67	2,848.15
% increase/-decrease	–	3.6%	6.7%	6.7%	6.7%	–	9.7%	5.5%	5.5%
Monthly Account for									
Household - 'Indigent'									
Rates and services charges:									
Property rates	–	–	–	–	–	–	–	–	–
Electricity: Basic levy	–	–	–	–	–	–	–	–	–
Electricity: Consumption	415.38	419.46	448.14	448.14	448.14	–	510.30	538.36	567.97
Water: Basic levy	–	–	–	–	–	–	–	–	–
Water: Consumption	111.42	155.26	165.06	165.06	165.06	–	174.14	183.72	193.82
Sanitation	–	–	–	–	–	–	–	–	–
Refuse removal	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
sub-total	526.80	574.72	613.20	613.20	613.20	11.6%	684.44	722.08	761.79
VAT on Services	72.75	86.21	85.85	91.98	91.98	–	102.67	108.31	114.27
Total small household bill:	599.55	660.93	699.05	705.18	705.18	12.6%	787.10	830.39	876.06
Min: Indigent Subsidy	(599.55)	(660.93)	(699.05)	(705.18)	(705.18)	–	(787.10)	(830.39)	(876.06)
Total Payable	–	–	–	–	–	–	–	(0.01)	(0.01)
% increase/-decrease	–	–	–	–	–	–	–	–	–
% increase indigent	0.0%	0.0%	0.0%	0.0%	0.0%	–	0.0%	0.0%	0.0%

1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2019/2020 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of ***no project plans no budget***. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2019/2020 budget and MTREF (classified per main type of operating expenditure).

Table 13 Summary of operating expenditure by standard classification item

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	%	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure By Type									
Employee related costs	238,228	305,627	325,494	324,309	324,309	312,376	41.5%	341,741	366,805
Remuneration of councillors	8,514	10,833	11,571	11,302	11,302	12,037	1.6%	12,819	13,653
Debt impairment	13,693	18,188	15,000	15,000	15,000	10,000	1.3%	10,450	10,868
Depreciation & asset impairment	79,069	104,090	95,594	95,594	95,594	95,594	12.7%	99,895	103,891
Finance charges	11,838	12,019	12,225	12,787	12,787	10,987	1.5%	11,481	11,940
Bulk purchases	159,260	176,912	185,500	183,000	183,000	188,746	25.1%	207,951	216,269
Other materials	17,169	25,677	30,247	27,502	27,502	30,196	4.0%	31,555	32,818
Contracted services	13,021	15,345	23,270	21,550	21,550	35,282	4.7%	27,724	27,201
Transfers and grants	521	929	1,646	1,409	1,409	1,534	0.2%	1,603	1,667
Other expenditure	34,703	34,044	47,504	57,094	57,094	56,466	7.5%	56,124	58,357
Loss on disposal of PPE	–	6,791	–	–	–	–	0.0%	–	–
Total Expenditure	576,016	710,455	748,051	749,547	749,547	753,217	100.0%	801,343	843,469

The budgeted allocation for employee related costs for the 2019/2020 financial year totals R 312.4 million, which equals 41.5% per cent of the total operating expenditure and 45.3% of operating expenditure excluding non-cash items. No salary collective agreement for 2019/2020 has been met and therefore the municipality budgeted in terms of the guidelines provided for 6.5% and onwards exists and the municipality has budgeted for a cost-of-living increase of 6.5%. Provision was made for critical vacant positions and increase in contributions towards medical aid above inflation rate.

An annual cost-of-living increase of 6.5% has been included in the two outer years of the MTREF. As part of the municipality's cost reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions. All overtime is being approved by the Accounting Officer to ensure that the overtime is monitored at all times.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

Provision of R 10.0 million was made for bad debt. Provision for write off bad debt of R 8.1 million was budgeted for as part of other expenditure in terms of MSCOA. For the 2019/2020 financial year this amount equates to R 8.4 million and R 8.6 million for the two outer years. While this expenditure for the provision of bad debt is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. The moratorium on the handover of residential consumers was lifted in 2016/2017 and therefore defaulting consumer debtors will be handed over for collection.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total

R 95.6 million for the 2019/2020 financial and equates to 12.7% of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years. This additional off-setting depreciation is not included in the budget for tariff calculation purposes. However, the municipality can expect to generate a non-cash operating deficit when the 2019/2020 annual financial statements are compiled compliant with the Accounting Standards since this off-setting depreciation is reflected in the Statement of Financial Performance and not directly to the Statement of Changes in Net Assets.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.5% (R 11.0 million) of operating expenditure excluding annual redemption for 2019/2020 and increases to R 11.9 million by 2021/2022. As previously noted, the municipality has reached its prudential limits for borrowing. Therefore, no external borrowing is being budgeted for from 2019/2020 – 2021/2022.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from DWA. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Repairs and maintenance to be procured for the maintenance of the municipality's assets are included under other materials and contracted services. Repairs and maintenance amounts to R 27.7 million for the 2019/2020 financial year and R 23.2 million and R 24.1 million for the two outer years of the MTREF. Other materials amount to R 30.2 million for the 2019/2020 financial year and R 31.6 million and R 32.8 million for the two outer years of the MTREF. With the adoption of GRAP 17 Dawid Kruiper Municipality adopted the revaluation method with the higher Depreciated Replacement Cost (DRC), this resulted in a net asset value of R 1.8 billion. Circular 55 requires that municipalities should ensure that repairs and maintenance is at least 8% of the total value of Property, Plant and Equipment, this is however impossible to budget for repairs and maintenance of R 145.6 million as this expenditure must be funded with tariff increases. Therefore the implication of the revaluation method of GRAP 17 is taken into consideration when determining the budgeted amounts for repairs and maintenance.

Contracted services have been identified as a cost saving area for the municipality. As part of the compilation of the 2019/2020 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2019/2020 financial year, this group of expenditure totals R 35.3 million and has increased compared to the 2018/2019 adjustments budget. For the two outer years expenditure has been limited to -21.4% and -1.9%. As part of the process of identifying further cost efficiencies, a business process re-engineering project will commence in the 2019/2020 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. Further details relating to contracted services can be seen in Table 63 MBRR SA1.

Other expenditure comprises of various line items relating to the daily operations of the municipality. As mentioned above it includes other materials for repair and maintenance of the municipality's assets. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Further details relating to other expenditure can be seen in Table 63 MBRR SA1.

The following chart gives a breakdown of the main expenditure categories for the 2019/2020 financial year.

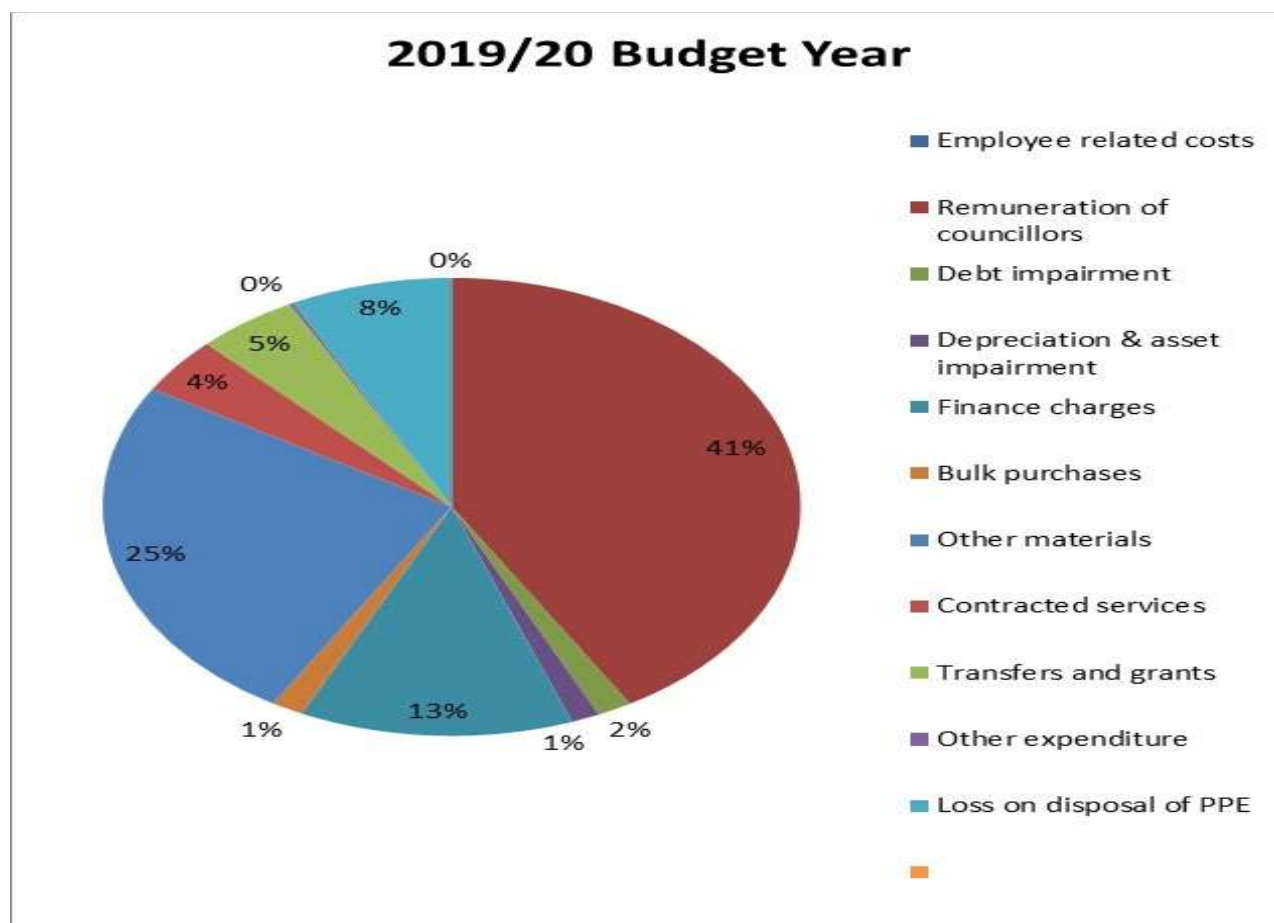


Figure 1 Main operational expenditure categories for the 2019/2020 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipality's current infrastructure, the 2019/2020 budget and MTREF provide for extensive growth in the area of asset maintenance (higher than the inflation rate), as informed by the asset renewal strategy and repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials, vehicle costs and contracted services.

Unfortunately the financial system of the municipality is set up in such a way that these costs cannot be calculated and allocated very easily to the different asset classes. Therefore the following table will only reflect other materials to be procured for repairs and

maintenance purposes. Table 14 gives a better picture of the consolidated cost drivers of all the expenditures associated with repairs and maintenance.

Table 14 Operational repairs and maintenance

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and Maintenance by Expenditure Item								
Employee related costs	–	–	–	–	–	–	–	–
Other materials	5,195	9,494	10,023	8,969	8,969	10,499	10,972	11,411
Contracted Services	5,906	4,473	5,893	10,238	10,238	17,154	12,178	12,665
Other Expenditure								
Total Repairs and Maintenance Expenditure	11,101	13,967	15,916	19,207	19,207	27,653	23,150	24,076

During the compilation of the 2018/2019 Adjustment Budget operational repairs and maintenance was identified as a strategic imperative owing to the aging of the municipality's infrastructure. To this end, total repairs and maintenance was increased in the 2019/2020 financial year to R 27.7 million from R 11.1 million in 2016/2017. As part of the 2019/2020 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. Table 15 below provides a breakdown of the repairs and maintenance (only other materials costs) in relation to asset class.

Table 15 Repairs and maintenance per asset class

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure	4,253	4,382	5,313	6,133	6,133	13,411	8,267	8,598
Roads Infrastructure	71	934	2,170	1,660	1,660	2,202	2,301	2,393
Roads	71	934	2,010	1,500	1,500	2,002	2,092	2,176
Road Structures	-	-	160	160	160	200	209	217
Electrical Infrastructure	1,246	1,719	1,578	1,353	1,353	1,769	1,849	1,923
MV Substations	-	-	23	-	-	-	-	-
LV Networks	1,246	1,719	1,555	1,353	1,353	1,769	1,849	1,923
Water Supply Infrastructure	2,427	1,344	1,000	1,698	1,698	7,894	2,501	2,601
Reservoirs	-	-	-	-	-	5,000	-	-
Water Treatment Works	-	-	-	-	-	1,644	1,195	1,243
Distribution	2,427	1,344	1,000	1,698	1,698	1,250	1,306	1,358
Sanitation Infrastructure	498	311	510	1,338	1,338	1,458	1,524	1,585
Reticulation	-	-	380	238	238	208	217	226
Waste Water Treatment Works	498	311	-	1,100	1,100	1,250	1,306	1,359
Toilet Facilities	-	-	130	-	-	-	-	-
Solid Waste Infrastructure	11	30	-	-	-	-	-	-
Landfill Sites	11	30	-	-	-	-	-	-
Information and Communication Infrastructure	-	44	55	85	85	88	92	96
Community Assets	440	464	1,588	1,493	1,493	1,772	1,852	1,926
Community Facilities	-	167	922	1,165	1,165	1,158	1,210	1,259
Sport and Recreation Facilities	440	297	666	328	328	614	641	667
Operational Buildings	912	791	1,467	1,129	1,129	1,352	1,413	1,469
Intangible Assets	-	472	490	490	490	510	533	554
Computer Equipment	-	387	153	-	-	120	125	130
Furniture and Office Equipment	-	-	537	144	144	250	261	271
Machinery and Equipment	2,666	-	140	818	818	740	773	804
Transport Assets	2,830	7,472	6,229	9,000	9,000	9,500	9,928	10,325
Total Repairs and Maintenance Expenditure	11,101	13,967	15,916	19,207	19,207	27,653	23,150	24,076

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. It should be noted that the Indigent Subsidy Policy was reviewed and that changes were made. For more detail on the policy visit our website at www.dkm.gov.za . Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

The following table provides a breakdown of budgeted single- and multi-year capital expenditure by vote. For 2019/2020 an amount of R 144.4 million has been appropriated for investment in property, plant and equipment. In the outer years this amount totals R 87.9 million and R 105.3 million respectively for each of the financial years. Electro-Mechanical Services receives the highest allocation of R 38.6 million in 2019/2020 which equates to 26.7% of the capital budget.

Table 16 2019/2020 Medium-term capital budget per vote

Description / R thousand	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2019/20	%	Budget Year +1 2020/21	%	Budget Year +2 2021/22	%
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - Municipal Manager	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 2 - Corporate Services	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 3 - Budget & Treasury Office	500	0.4%	1,500	1.0%	–	0.0%	–	0.0%
Vote 4 - Community Services	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 5 - Technical Director	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 6 - Electro Mechanical Services	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 7 - Civil Engineering Services	–	0.0%	5,769	4.0%	–	0.0%	–	0.0%
Vote 8 - Planning and Development Services	23,390	16.7%	28,553	19.8%	21,783	24.8%	23,227	22.1%
Capital multi-year expenditure sub-total	23,890	17.0%	35,821	24.8%	21,783	24.8%	23,227	22.1%
Single-year expenditure to be appropriated								
Vote 1 - Municipal Manager	396	0.3%	25	0.0%	–	0.0%	–	0.0%
Vote 2 - Corporate Services	1,154	0.8%	1,475	1.0%	600	0.7%	350	0.4%
Vote 3 - Budget & Treasury Office	4,131	2.9%	6,591	4.6%	–	0.0%	–	0.0%
Vote 4 - Community Services	1,698	1.2%	5,443	3.8%	840	1.0%	882	1.1%
Vote 5 - Technical Director	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 6 - Electro Mechanical Services	64,256	45.8%	51,377	35.6%	28,161	32.0%	33,808	41.2%
Vote 7 - Civil Engineering Services	44,577	31.8%	43,233	29.9%	36,495	41.5%	47,064	57.3%
Vote 8 - Planning and Development Services	228	0.2%	456	0.3%	–	0.0%	–	0.0%
Capital single-year expenditure sub-total	116,440	83.0%	108,599	75.2%	66,096	75.2%	82,104	77.9%
Total Capital Expenditure - Vote	140,330	100.0%	144,420	100.0%	87,879	100.0%	105,331	100.0%

Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c and e provides a detailed breakdown of the capital programme relating to new asset construction; capital asset renewal, capital assets upgrades as well as operational repairs and maintenance by asset class.

Refer to pages 124 to 139 contain a detail breakdown of the capital budget per project over the medium-term.

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35. This concomitant operational expenditure is expected to escalate as new capital projects are implemented. It needs to be noted that as

part of the 2019/2020 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 Annual Budget Tables – Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/2020 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*.

Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF.
 - b. Capital expenditure is balanced by capital funding sources, of which:
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget; and

- Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing / surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 17 MBRR Table A1 – Budget Summary

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance								
Property rates	75,406	93,323	99,462	100,248	100,248	106,762	112,107	118,273
Service charges	337,359	371,688	447,595	425,391	425,391	473,160	501,594	529,230
Investment revenue	2,844	4,523	4,350	3,415	3,415	4,465	4,733	4,994
Transfers recognised - operational	71,495	86,781	93,392	96,898	96,898	101,533	106,046	114,408
Other own revenue	57,760	80,054	66,980	57,706	57,706	64,251	66,419	66,912
Total Revenue (excluding capital transfers and contributions)	544,864	636,369	711,778	683,658	683,658	750,171	790,901	833,817
Employee costs	238,228	305,627	325,494	324,309	324,309	312,376	341,741	366,805
Remuneration of councillors	8,514	10,833	11,571	11,302	11,302	12,037	12,819	13,653
Depreciation & asset impairment	79,069	104,090	95,594	95,594	95,594	95,594	99,895	103,891
Finance charges	11,838	12,019	12,225	12,787	12,787	10,987	11,481	11,940
Materials and bulk purchases	176,430	202,589	215,747	210,502	210,502	218,942	239,506	249,087
Transfers and grants	521	929	1,646	1,409	1,409	1,534	1,603	1,667
Other expenditure	61,417	74,367	85,774	93,644	93,644	101,747	94,298	96,427
Total Expenditure	576,016	710,455	748,051	749,547	749,547	753,217	801,343	843,469
Surplus/(Deficit)	(31,153)	(74,086)	(36,274)	(65,889)	(65,889)	(3,046)	(10,442)	(9,652)
Transfers recognised - capital	35,364	34,192	45,689	67,652	67,652	57,211	40,705	44,599
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	4,212	(39,894)	9,416	1,763	1,763	54,165	30,262	34,946
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	4,212	(39,894)	9,416	1,763	1,763	54,165	30,262	34,946
Capital expenditure & funds sources								
Capital expenditure	45,546	52,692	104,150	140,330	140,330	144,420	87,879	105,331
Transfers recognised - capital	34,984	37,160	45,689	67,652	67,652	57,211	40,705	44,599
Borrowing	-	194	-	9,806	9,806	-	-	-
Internally generated funds	10,562	15,338	58,461	62,872	62,872	87,210	47,174	60,733
Total sources of capital funds	45,546	52,692	104,150	140,330	140,330	144,420	87,879	105,331
Financial position								
Total current assets	127,678	157,551	99,083	115,211	115,211	85,974	81,585	91,406
Total non current assets	2,415,202	2,298,326	2,465,442	2,353,054	2,353,054	2,421,881	2,429,914	2,449,354
Total current liabilities	181,936	212,828	156,511	209,027	209,027	213,900	203,575	212,075
Total non current liabilities	366,199	288,197	386,255	302,623	302,623	283,175	266,882	252,697
Community wealth/Equity	1,994,746	1,954,852	2,021,759	1,956,615	1,956,615	2,010,779	2,041,042	2,075,988
Cash flows								
Net cash from (used) operating	80,550	86,721	114,497	101,926	101,926	140,362	89,935	114,768
Net cash from (used) investing	(37,250)	(56,949)	(75,065)	(122,956)	(122,956)	(129,420)	(71,979)	(88,557)
Net cash from (used) financing	(11,999)	3,056	(14,000)	(8,819)	(8,819)	(10,000)	(11,000)	(11,500)
Cash/cash equivalents at the year end	43,754	76,582	33,262	46,734	46,734	47,675	54,631	69,342
Cash backing/surplus reconciliation								
Cash and investments available	43,754	76,582	33,262	46,734	46,734	47,675	54,631	69,342
Application of cash and investments	37,108	78,269	17,961	73,255	73,255	47,158	55,111	59,756
Balance - surplus (shortfall)	6,646	(1,687)	15,301	(26,521)	(26,521)	517	(480)	9,586
Asset management								
Asset register summary (WDV)	2,415,202	2,298,318	2,465,442	2,353,054	2,353,054	2,421,881	2,429,914	2,449,354
Depreciation & asset impairment	79,069	104,090	95,594	95,594	95,594	95,594	99,895	103,891
Renewal of Existing Assets	19,525	1,740	53,389	53,061	53,061	61,975	25,344	28,420
Repairs and Maintenance	11,101	13,967	15,916	19,207	19,207	27,653	23,150	24,076
Free services								
Cost of Free Basic Services provided	19,561	24,247	27,335	28,511	28,511	30,193	31,960	33,670
Revenue cost of free services provided	8,224	10,275	10,715	10,935	10,935	7,372	7,815	8,244
Households below minimum service level								
Water:	-	-	-	0	0	0	0	0
Sanitation/sewerage:	1	1	1	2	2	2	2	2
Energy:	2	2	2	2	2	2	1	-
Refuse:	10	10	10	10	10	10	10	10

Explanatory notes to MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, but not for Water, Waste Water Management and Waste Management functions. This deficit shown on the above mentioned functions is non-cash deficits as the depreciation cost are included in the deficit. This is a result of the implementation of GRAP 17 – as detailed discussed on page 21.
4. Other functions that show a deficit between revenue and expenditure are being financed through the trading services profit, from rates revenues and other revenue sources reflected in the table.

Table 18 MBRR Table A2 – Budgeted Financial Performance

(Revenue and expenditure by standard classification)

Standard Classification Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Standard								
<i>Governance and administration</i>	212,856	245,448	233,655	227,609	227,609	243,049	256,556	269,998
Executive and council	5,256	22,730	–	–	–	–	–	–
Finance and administration	207,600	222,718	233,655	227,609	227,609	243,049	256,556	269,998
<i>Community and public safety</i>	18,235	21,372	16,275	21,739	21,739	18,414	19,316	20,153
Community and social services	1,910	4,407	3,179	3,224	3,224	3,467	3,484	3,460
Sport and recreation	4,774	4,607	4,684	4,619	4,619	4,543	4,815	5,080
Public safety	10,779	11,708	7,709	13,246	13,246	9,755	10,338	10,904
Housing	772	650	703	650	650	650	679	710
<i>Economic and environmental services</i>	5,162	19,620	31,117	33,878	33,878	39,762	32,315	34,390
Planning and development	5,026	19,511	31,015	33,702	33,702	39,577	32,119	34,183
Road transport	136	108	102	175	175	185	196	207
<i>Trading services</i>	343,974	384,121	476,421	468,033	468,033	506,157	523,418	553,874
Energy sources	248,785	269,392	333,680	319,345	319,345	354,000	362,527	383,247
Water management	47,662	54,573	74,789	78,203	78,203	77,794	82,066	87,467
Waste water management	27,264	33,577	34,657	37,441	37,441	39,500	41,870	44,173
Waste management	20,263	26,580	33,295	33,045	33,045	34,863	36,954	38,987
<i>Other</i>	0	0	–	50	50	–	–	–
Total Revenue - Standard	580,228	670,561	757,467	751,310	751,310	807,382	831,606	878,415
Expenditure - Standard								
<i>Governance and administration</i>	150,108	197,363	260,011	233,346	233,346	207,787	224,816	238,970
Executive and council	31,470	53,869	74,935	62,963	62,963	33,090	43,185	48,817
Finance and administration	116,877	141,599	182,343	166,983	166,983	171,036	177,738	186,012
Internal audit	1,761	1,895	2,733	3,401	3,401	3,661	3,894	4,140
<i>Community and public safety</i>	60,769	75,780	80,749	94,493	94,493	99,083	104,749	110,946
Community and social services	7,321	9,626	12,319	14,534	14,534	16,079	16,987	18,021
Sport and recreation	27,858	32,366	32,401	36,659	36,659	38,940	41,272	43,695
Public safety	23,048	29,272	31,102	37,844	37,844	38,277	40,341	42,699
Housing	2,541	4,516	4,926	5,457	5,457	5,787	6,148	6,532
Health	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	31,866	64,127	53,699	57,697	57,697	61,897	65,072	68,336
Planning and development	7,410	12,054	13,943	13,208	13,208	15,285	16,119	17,101
Road transport	24,455	52,073	39,755	44,489	44,489	46,612	48,953	51,235
<i>Trading services</i>	331,586	370,911	350,974	361,599	361,599	381,448	403,749	422,076
Energy sources	196,610	220,802	215,600	220,445	220,445	228,393	249,192	259,465
Water management	56,659	66,222	62,943	58,393	58,393	66,959	63,716	66,978
Waste water management	38,865	40,727	30,039	35,586	35,586	37,055	39,200	41,403
Waste management	39,452	43,161	42,392	47,174	47,174	49,041	51,641	54,230
<i>Other</i>	1,688	2,273	2,619	2,411	2,411	3,002	2,958	3,142
Total Expenditure - Standard	576,016	710,455	748,051	749,547	749,547	753,217	801,343	843,469
Surplus/(Deficit) for the year	4,212	(39,894)	9,416	1,763	1,763	54,165	30,262	34,946

Explanatory notes to MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

The following table is an analysis of the surplus or deficit for the electricity and water trading services.

1. The electricity trading surplus is sustained over the 2019/2020 MTREF around 39.5% - 36.3% from 2019/2020 to 2021/2022. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality and NERSA to buffer the impact of these increases on individual consumers. Internal usages are off set against revenue.
2. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 34.3%, 42.5% and 43.1% for each of the respective financial years.
3. Note that the surpluses on these trading accounts are accounted for as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and to cross-subsidise other municipal services.*

Table 19 MBRR Table A3 – Budgeted Financial Performance

(Revenue and expenditure by municipal vote)

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote								
Vote 1 - Municipal Manager	4,011	22,730	-	-	-	-	-	-
Vote 2 - Corporate Services	6,562	27,377	44,780	32,231	32,231	39,710	40,408	39,473
Vote 3 - Budget & Treasury Office	201,268	190,985	188,875	195,390	195,390	203,339	216,147	230,526
Vote 4 - Community Services	33,995	43,849	45,509	50,743	50,743	49,219	51,980	54,620
Vote 5 - Technical Director	-	-	-	-	-	-	-	-
Vote 6 - Electro Mechanical Services	248,785	269,392	333,680	319,348	319,348	354,000	362,527	383,247
Vote 7 - Civil Engineering Services	75,087	92,720	109,548	115,819	115,819	117,479	124,132	131,847
Vote 8 - Planning and Development Services	10,519	23,509	35,075	37,779	37,779	43,635	36,411	38,704
Total Revenue by Vote	580,228	670,561	757,467	751,310	751,310	807,382	831,606	878,415
Expenditure by Vote to be appropriated								
Vote 1 - Municipal Manager	31,984	51,214	70,589	60,484	60,484	28,842	38,744	44,083
Vote 2 - Corporate Services	24,888	54,035	44,324	44,893	44,893	49,096	51,934	54,866
Vote 3 - Budget & Treasury Office	57,951	44,786	80,746	86,041	86,041	83,347	84,855	87,596
Vote 4 - Community Services	107,939	126,298	129,096	147,608	147,608	154,543	163,245	172,498
Vote 5 - Technical Director	-	-	-	-	-	-	-	-
Vote 6 - Electro Mechanical Services	207,997	242,328	248,783	231,138	231,138	239,482	261,015	272,073
Vote 7 - Civil Engineering Services	125,242	165,007	145,099	149,444	149,444	163,048	164,967	173,533
Vote 8 - Planning and Development Services	20,016	26,787	29,414	29,940	29,940	34,859	36,584	38,820
Total Expenditure by Vote	576,016	710,455	748,051	749,547	749,547	753,217	801,343	843,469
Surplus/(Deficit) for the year	4,212	(39,894)	9,416	1,763	1,763	54,165	30,262	34,946

Table 20 Surplus/(Deficit) calculations for the trading services

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Electricity								
Total Revenue (Excluding capital)	248,785	269,392	333,680	319,345	319,345	354,000	362,527	383,247
Operating Expenditure (excluding depreciation)	182,500	205,716	201,490	206,335	206,335	214,283	234,448	244,131
Surplus/(Deficit) for the year	66,285	63,675	132,190	113,009	113,009	139,716	128,080	139,116
Percentage Surplus	26.6%	23.6%	39.6%	35.4%	35.4%	39.5%	35.3%	36.3%
Water								
Total Revenue (Excluding capital)	47,662	54,573	74,789	78,203	78,203	77,794	82,066	87,467
Operating Expenditure (excluding depreciation)	40,841	49,080	47,125	42,575	42,575	51,141	47,186	49,787
Surplus/(Deficit) for the year	6,821	5,493	27,664	35,628	35,628	26,653	34,880	37,680
Percentage Surplus	14.3%	10.1%	37.0%	45.6%	45.6%	34.3%	42.5%	43.1%

Explanatory notes to Table A4 – Budgeted Financial Performance (revenue and expenditure)

1. Total revenue (excluding capital transfers) is R 750.2 million in 2019/2020 and escalates to R 833.8 million by 2021/2022. This represents a year-on-year increase of 5.4% for the 2020/2021 financial year and 5.4% for the 2021/2022 financial year.
2. Revenue to be generated from property rates is R 106.8 million in the 2019/2020 financial year and increases to R 118.3 million by 2021/2022 which represents 14.2% of the operating revenue base of the municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at $\pm 5.5\%$ for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R 473.2 million for the 2019/2020 financial year and increasing to R 529.2 million by 2021/2022. For the 2019/2020 financial year services charges amount to 63.1% of the total revenue base and increases to 63.5% by 2021/2022. This increase can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. Operating grants and transfers totals R 101.5 million in the 2019/2020 financial year and increases to R 114.4 million for 2021/2022. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 21 MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source								
Property rates	75,406	93,323	99,462	100,248	100,248	106,762	112,107	118,273
Service charges - electricity revenue	242,247	257,122	316,656	292,291	292,291	332,740	352,704	372,103
Service charges - water revenue	47,585	54,408	62,987	62,614	62,614	66,057	70,066	73,967
Service charges - sanitation revenue	27,264	33,577	34,657	37,441	37,441	39,500	41,870	44,173
Service charges - refuse revenue	20,263	26,580	33,295	33,045	33,045	34,863	36,954	38,987
Rental of facilities and equipment	8,171	8,719	7,987	7,359	7,359	6,842	7,252	7,651
Interest earned - external investments	2,844	4,523	4,350	3,415	3,415	4,465	4,733	4,994
Interest earned - outstanding debtors	2,985	3,454	3,000	3,495	3,495	3,687	3,908	4,123
Fines	4,465	7,278	5,702	6,501	6,501	5,988	6,347	6,696
Licences and permits	1,571	1,581	1,986	1,060	1,060	1,118	1,185	1,251
Agency services	4,208	2,529	-	-	-	-	-	-
Transfers recognised - operational	71,495	86,781	93,392	96,898	96,898	101,533	106,046	114,408
Other revenue	34,602	56,494	19,220	21,931	21,931	31,617	31,826	30,417
Gains on disposal of PPE	1,758	-	29,086	17,360	17,360	15,000	15,900	16,775
Total Revenue (excluding capital transfers and contributions)	544,864	636,369	711,778	683,658	683,658	750,171	790,901	833,817
Expenditure By Type								
Employee related costs	238,228	305,627	325,494	324,309	324,309	312,376	341,741	366,805
Remuneration of councillors	8,514	10,833	11,571	11,302	11,302	12,037	12,819	13,653
Debt impairment	13,693	18,188	15,000	15,000	15,000	10,000	10,450	10,868
Depreciation & asset impairment	79,069	104,090	95,594	95,594	95,594	95,594	99,895	103,891
Finance charges	11,838	12,019	12,225	12,787	12,787	10,987	11,481	11,940
Bulk purchases	159,260	176,912	185,500	183,000	183,000	188,746	207,951	216,269
Other materials	17,169	25,677	30,247	27,502	27,502	30,196	31,555	32,818
Contracted services	13,021	15,345	23,270	21,550	21,550	35,282	27,724	27,201
Transfers and subsidies	521	929	1,646	1,409	1,409	1,534	1,603	1,667
Other expenditure	34,703	34,044	47,504	57,094	57,094	56,466	56,124	58,357
Loss on disposal of PPE	-	6,791	-	-	-	-	-	-
Total Expenditure	576,016	710,455	748,051	749,547	749,547	753,217	801,343	843,469
Surplus/(Deficit)	(31,153)	(74,086)	(36,274)	(65,889)	(65,889)	(3,046)	(10,442)	(9,652)
Transfers recognised - capital	35,364	34,192	45,689	67,652	67,652	57,211	40,705	44,599
Surplus/(Deficit) after capital transfers & contributions	4,212	(39,894)	9,416	1,763	1,763	54,165	30,262	34,946
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	4,212	(39,894)	9,416	1,763	1,763	54,165	30,262	34,946
Attributable to minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	4,212	(39,894)	9,416	1,763	1,763	54,165	30,262	34,946
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	4,212	(39,894)	9,416	1,763	1,763	54,165	30,262	34,946

Explanatory notes to Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 below is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for the 2019/2020 financial year R 35.8 million has been allocated of the total R 144.4 million capital budget, which totals 24.8%. This allocation decreases to R 21.8 million in 2020/2021 and then increases to R 23.2 million in 2021/2022.
3. Single-year capital expenditure has been appropriated at R 108.6 million for the 2019/2020 financial year and R 66.1 million and R 82.1 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. For 2019/2020, capital transfers totals R 57.2 million (39.6%) and decrease to R 40.7 million (46.3%) for 2020/2021 and then increases to R 44.6 million (42.3%) for 2021/2022.

Table 22 MBRR Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	-	-	1,000	500	500	500	1,500	-
Vote 4 - Community Services	-	-	-	-	-	-	-	-
Vote 5 - Technical Director	-	-	-	-	-	-	-	-
Vote 6 - Electro Mechanical Services	1,889	-	-	-	-	-	-	-
Vote 7 - Civil Engineering Services	118	-	13,769	-	-	-	5,769	-
Vote 8 - Planning and Development Services	17,577	-	20,365	23,390	23,390	23,390	28,553	21,783
Capital multi-year expenditure sub-total	19,584	-	35,133	23,890	23,890	35,821	21,783	23,227
Single-year expenditure to be appropriated								
Vote 1 - Municipal Manager	79	295	36	396	396	396	25	-
Vote 2 - Corporate Services	46	1,722	1,892	1,154	1,154	1,154	1,475	600
Vote 3 - Budget & Treasury Office	517	9,851	4,790	4,131	4,131	4,131	6,591	-
Vote 4 - Community Services	747	262	1,691	1,698	1,698	1,698	5,443	840
Vote 5 - Technical Director	-	-	-	-	-	-	-	-
Vote 6 - Electro Mechanical Services	19,668	16,867	40,460	64,256	64,256	64,256	51,377	28,161
Vote 7 - Civil Engineering Services	4,719	13,468	20,078	44,577	44,577	44,577	43,233	36,495
Vote 8 - Planning and Development Services	186	10,227	70	228	228	228	456	-
Capital single-year expenditure sub-total	25,962	52,692	69,017	116,440	116,440	108,599	66,096	82,104
Total Capital Expenditure - Vote	45,546	52,692	104,150	140,330	140,330	144,420	87,879	105,331
Capital Expenditure - Standard								
<i>Governance and administration</i>	686	14,243	17,221	20,033	20,033	23,324	13,438	18,110
Executive and council	79	295	3	361	361	11	-	-
Budget and treasury office	607	13,948	17,218	19,668	19,668	23,307	13,438	18,110
Corporate services	-	-	-	3	3	7	-	-
<i>Community and public safety</i>	3,902	246	2,008	1,975	1,975	3,650	1,090	882
Community and social services	22	151	1,032	1,158	1,158	1,790	250	-
Sport and recreation	3,832	53	706	800	800	1,397	-	-
Public safety	49	43	270	17	17	463	840	882
<i>Economic and environmental services</i>	12,263	11,668	13,793	33,619	33,619	32,386	30,533	33,827
Planning and development	4	10,203	70	23,457	23,457	28,746	21,783	23,227
Road transport	12,259	1,465	13,722	10,162	10,162	3,640	8,750	10,600
<i>Trading services</i>	28,695	26,535	71,129	84,653	84,653	85,061	42,818	52,512
Electricity	19,930	14,522	30,508	50,092	50,092	38,611	15,073	16,048
Water	4,344	11,678	33,646	34,212	34,212	26,707	12,384	24,568
Waste water management	2,904	335	6,971	314	314	18,655	15,361	11,896
Waste management	1,517	-	4	35	35	1,088	-	-
Other	-	-	-	50	50	-	-	-
Total Capital Expenditure - Standard	45,546	52,692	104,150	140,330	140,330	144,420	87,879	105,331
Funded by:								
National Government	33,381	36,869	43,907	61,741	61,741	55,733	40,705	44,599
Provincial Government	1,603	291	1,783	5,861	5,861	1,478	-	-
Other transfers and grants	-	-	-	50	50	-	-	-
Transfers recognised - capital	34,984	37,160	45,689	67,652	67,652	57,211	40,705	44,599
Borrowing	-	194	-	9,806	9,806	-	-	-
Internally generated funds	10,562	15,338	58,461	62,872	62,872	87,210	47,174	60,733
Total Capital Funding	45,546	52,692	104,150	140,330	140,330	144,420	87,879	105,331

Explanatory notes to Table A6 – Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors, management and other users of budget documentation of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 65 is supported by an extensive table of notes (SA3 which can be found on page 146) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in

turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the Statement of Financial Position.

Table 23 MBRR Table A6 – Budgeted Financial Position

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS								
Current assets								
Cash	43,754	76,582	33,262	46,734	46,734	47,675	54,631	69,342
Consumer debtors	74,171	73,647	59,987	62,644	62,644	32,465	21,120	16,231
Other debtors	93	1,639	-	-	-	-	-	-
Current portion of long-term receivables	13	5	-	-	-	-	-	-
Inventory	9,648	5,676	5,834	5,834	5,834	5,834	5,834	5,834
Total current assets	127,678	157,551	99,083	115,211	115,211	85,974	81,585	91,406
Non current assets								
Investment property	593,335	616,647	608,748	626,647	626,647	646,647	666,697	684,697
Property, plant and equipment	1,813,612	1,671,252	1,833,406	1,715,553	1,715,553	1,764,362	1,752,346	1,753,786
Intangible	3,746	5,909	18,778	6,345	6,345	6,362	6,362	6,362
Other non-current assets	4,509	4,509	4,509	4,509	4,509	4,509	4,509	4,509
Total non current assets	2,415,202	2,298,326	2,465,442	2,353,054	2,353,054	2,421,881	2,429,914	2,449,354
TOTAL ASSETS	2,542,880	2,455,877	2,564,525	2,468,265	2,468,265	2,507,855	2,511,499	2,540,760
LIABILITIES								
Current liabilities								
Borrowing	8,716	9,876	10,000	10,000	10,000	11,000	11,500	12,000
Consumer deposits	10,868	11,469	12,650	12,650	12,650	12,650	12,650	12,650
Trade and other payables	108,354	141,342	76,611	134,127	134,127	138,000	127,175	135,175
Provisions	53,998	50,141	57,250	52,250	52,250	52,250	52,250	52,250
Total current liabilities	181,936	212,828	156,511	209,027	209,027	213,900	203,575	212,075
Non current liabilities								
Borrowing	104,021	105,315	89,077	95,191	95,191	84,191	72,691	60,691
Provisions	262,178	182,882	297,178	207,432	207,432	198,984	194,191	192,006
Total non current liabilities	366,199	288,197	386,255	302,623	302,623	283,175	266,882	252,697
TOTAL LIABILITIES	548,135	501,025	542,766	511,650	511,650	497,075	470,457	464,772
NET ASSETS	1,994,746	1,954,852	2,021,759	1,956,615	1,956,615	2,010,779	2,041,042	2,075,988
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)	1,994,746	1,954,852	2,021,759	1,956,615	1,956,615	2,010,779	2,041,042	2,075,988
TOTAL COMMUNITY WEALTH/EQUITY	1,994,746	1,954,852	2,021,759	1,956,615	1,956,615	2,010,779	2,041,042	2,075,988

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2019/2020 MTREF provide for a net decrease in cash of R 6.6 million for the 2019/2020 financial year. The projected cash surplus for 2018/2019 will result in an overall projected positive cash position at year end.
4. In addition the municipality has undertaken an extensive debt collection drive resulting in cash receipts on arrear debtors.
5. The 2019/2020 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Table 24 MBRR Table A7 – Budgeted Cash Flow Statement

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	85,881	93,323	99,424	97,734	97,734	111,806	112,331	116,778
Service charges	337,359	331,663	447,595	425,391	425,391	488,293	502,266	524,746
Other revenue	26,477	31,601	24,894	26,851	26,851	25,564	26,561	28,015
Government - operating	71,495	86,781	93,392	96,898	96,898	101,533	106,046	114,408
Government - capital	35,364	34,192	45,689	67,652	67,652	57,211	40,705	44,599
Interest	5,829	7,977	7,350	6,910	6,910	8,152	8,641	9,117
Payments								
Suppliers and employees	(469,496)	(485,867)	(589,976)	(605,313)	(605,313)	(639,678)	(693,532)	(709,287)
Finance charges	(11,838)	(12,019)	(12,225)	(12,787)	(12,787)	(10,987)	(11,481)	(11,940)
Transfers and Grants	(521)	(929)	(1,646)	(1,409)	(1,409)	(1,534)	(1,603)	(1,667)
NET CASH FROM/(USED) OPERATING ACTIVITIES	80,550	86,721	114,497	101,926	101,926	140,362	89,935	114,768
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	8,351	(4,255)	29,086	17,360	17,360	15,000	15,900	16,775
Decrease (increase) other non-current receivables	10	(1)	-	14	14	-	-	-
Payments								
Capital assets	(45,612)	(52,692)	(104,150)	(140,330)	(140,330)	(144,420)	(87,879)	(105,331)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(37,250)	(56,949)	(75,065)	(122,956)	(122,956)	(129,420)	(71,979)	(88,557)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Borrowing long term/refinancing	-	10,000	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(882)	601	-	1,181	1,181	-	-	-
Payments								
Repayment of borrowing	(11,118)	(7,545)	(14,000)	(10,000)	(10,000)	(10,000)	(11,000)	(11,500)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(11,999)	3,056	(14,000)	(8,819)	(8,819)	(10,000)	(11,000)	(11,500)
NET INCREASE/ (DECREASE) IN CASH HELD	31,301	32,828	25,432	(29,849)	(29,849)	941	6,956	14,711
Cash/cash equivalents at the year begin:	12,454	43,754	7,829	76,582	76,582	46,734	47,675	54,631
Cash/cash equivalents at the year end:	43,754	76,582	33,262	46,734	46,734	47,675	54,631	69,342

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves / accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. The main reason for these "unfunded" projections were a lack of cash due to government not honouring their service charges, outstanding debt, moratorium on handover of consumer debtors, unspent grants not being cash backed for previous financial years, the roll-over of capital projects that is ongoing for more than a year which is being funded from external loans and own funds, housing programme claims not paid out by provincial government and unfunded mandates for Primary Health Care Services, Environmental Services, Library Services, Disaster Management, etc. Based on Circular 74 (Unfunded Mandates) the municipality has identified certain functions, which is not the core function of the municipality and is jeopardizing our financial situation. An item was tabled to Council and discussions and decisions will determine these function(s) will dispose or rented out. The municipality will be unable to raise external loans until the shortfall on A8 is R 0. Therefore Council has approved a Municipal Turn Around Strategy (MTAS) to ensure that our current financial situation approves during the MTREF.
6. Council approved the draft Funding and Reserves Policy that stipulates the treatment of budgeting for provisions, reserves and other related items. The policy will form part of the budget related policies.
7. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2019/2020 MTREF was funded.
8. As part of the budgeting and planning guidelines that informed the compilation of the 2019/2020 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 25 MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available								
Cash/cash equivalents at the year end	43,754	76,582	33,262	46,734	46,734	47,675	54,631	69,342
Other current investments > 90 days	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-
Cash and investments available:	43,754	76,582	33,262	46,734	46,734	47,675	54,631	69,342
Application of cash and investments								
Unspent conditional transfers	19,079	30,942	-	24	24	-	-	-
Statutory requirements	3,580	-	6,000	6,000	6,000	3,000	3,000	3,000
Other working capital requirements	14,449	47,327	11,961	67,230	67,230	44,158	52,111	56,756
Total Application of cash and investments:	37,108	78,269	17,961	73,255	73,255	47,158	55,111	59,756
Surplus(shortfall)	6,646	(1,687)	15,301	(26,521)	(26,521)	517	(480)	9,586

Explanatory notes to Table A9 – Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. This is however impossible to budget for repairs and maintenance of 8% as this would equate to R 145.6 million. This expenditure will have to be funded with tariff increases, resulting in tariffs increases above 25%. Therefore, the implication of the revaluation method of GRAP 17 is taken into consideration when determining the budgeted amounts for repairs and maintenance. The treatment of depreciation is also included in the Funding and Reserves Policy.
- Depreciation and asset impairment costs (off-setting depreciation included) due to the implementation of the GRAP Accounting Standards on the carrying values of componentised assets makes it virtually unaffordable to maintain the municipality's assets at depreciated replacement cost.

Table 26 MBRR Table A9 – Asset Management

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE								
Total New Assets	26,021	51,004	50,761	87,269	87,269	82,446	62,535	76,911
Roads Infrastructure	348	3,129	13,530	22,591	22,591	13,639	13,398	5,628
Storm water Infrastructure	—	—	—	—	—	—	—	—
Electrical Infrastructure	15,966	14,336	12,572	41,151	41,151	35,643	16,964	19,628
Water Supply Infrastructure	3,619	17,889	1,304	3,533	3,533	5,837	11,083	27,688
Sanitation Infrastructure	2,341	521	15,780	201	201	3,067	4,598	735
Solid Waste Infrastructure	—	—	—	—	—	1,088	—	—
Rail Infrastructure	—	—	—	—	—	—	—	—
Coastal Infrastructure	—	—	—	—	—	—	—	—
Information and Communication Infrastructure	—	4,680	—	400	400	400	—	—
Infrastructure	22,274	40,555	43,187	67,876	67,876	59,675	46,043	53,679
Community Facilities	—	44	517	560	560	780	—	—
Sport and Recreation Facilities	3,187	617	690	723	723	12,656	1,783	4,435
Community Assets	3,187	661	1,207	1,283	1,283	13,436	1,783	4,435
Heritage Assets	—	—	—	—	—	—	—	—
Revenue Generating	—	—	—	—	—	—	—	—
Non-revenue Generating	—	1,519	250	200	200	—	—	—
Investment properties	—	1,519	250	200	200	—	—	—
Operational Buildings	70	439	2,715	1,563	1,563	2,865	1,020	425
Housing	—	—	—	—	—	—	—	—
Other Assets	70	439	2,715	1,563	1,563	2,865	1,020	425
Biological or Cultivated Assets	—	—	—	—	—	—	—	—
Servitudes	—	—	—	—	—	—	—	—
Licences and Rights	—	2,522	25	337	337	17	—	—
Intangible Assets	—	2,522	25	337	337	17	—	—
Computer Equipment	238	2,184	130	2,389	2,389	1,205	—	—
Furniture and Office Equipment	133	321	701	741	741	966	350	350
Machinery and Equipment	118	501	2,426	321	321	862	251	262
Transport Assets	—	2,301	120	12,558	12,558	3,420	13,088	17,760
Land	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets	19,525	1,740	22,097	31,387	31,387	30,869	1,475	1,305
Roads Infrastructure	11,910	1,081	—	—	—	—	—	—
Storm water Infrastructure	—	—	—	—	—	100	250	300
Electrical Infrastructure	3,964	—	7,869	460	460	700	105	110
Water Supply Infrastructure	547	448	400	27,602	27,602	14,927	220	220
Sanitation Infrastructure	551	—	200	230	230	320	150	150
Solid Waste Infrastructure	—	—	—	—	—	—	—	—
Rail Infrastructure	—	—	—	—	—	—	—	—
Coastal Infrastructure	—	—	—	—	—	—	—	—
Information and Communication Infrastructure	—	—	—	300	300	—	—	—
Infrastructure	16,973	1,529	8,469	28,592	28,592	16,047	725	780
Community Facilities	—	—	—	—	—	230	—	—
Sport and Recreation Facilities	592	—	—	—	—	75	—	—
Community Assets	592	—	—	—	—	305	—	—
Heritage Assets	—	—	—	—	—	—	—	—
Revenue Generating	—	—	—	—	—	—	—	—
Non-revenue Generating	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—
Operational Buildings	—	—	—	98	98	300	500	525
Housing	—	—	—	—	—	—	—	—
Other Assets	—	—	—	98	98	300	500	525
Biological or Cultivated Assets	—	—	—	—	—	—	—	—
Servitudes	—	—	—	—	—	—	—	—
Licences and Rights	—	—	15	15	15	—	—	—
Intangible Assets	—	—	15	15	15	—	—	—
Computer Equipment	162	—	466	597	597	945	—	—
Furniture and Office Equipment	164	107	32	207	207	3,876	—	—
Machinery and Equipment	118	52	3,664	500	500	—	—	—
Transport Assets	1,515	52	9,451	1,379	1,379	9,146	—	—
Land	—	—	—	—	—	250	250	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—
Total Upgrading of Existing Assets	—	—	31,292	21,674	21,674	31,106	23,869	27,115
Roads Infrastructure	—	—	—	9,806	9,806	3,000	8,735	10,772
Storm water Infrastructure	—	—	—	—	—	—	—	—
Electrical Infrastructure	—	—	8,296	7,780	7,780	6,478	3,478	4,348
Water Supply Infrastructure	—	—	3,000	—	—	2,865	545	550
Sanitation Infrastructure	—	—	19,996	3,945	3,945	15,769	10,761	11,446
Solid Waste Infrastructure	—	—	—	—	—	—	—	—
Rail Infrastructure	—	—	—	—	—	—	—	—
Coastal Infrastructure	—	—	—	—	—	—	—	—
Information and Communication Infrastructure	—	—	—	—	—	—	—	—
Infrastructure	—	—	31,292	21,531	21,531	28,112	23,519	27,115
Community Facilities	—	—	—	59	59	370	—	—
Sport and Recreation Facilities	—	—	—	—	—	300	—	—
Community Assets	—	—	—	59	59	670	—	—
Heritage Assets	—	—	—	—	—	—	—	—
Revenue Generating	—	—	—	—	—	—	—	—
Non-revenue Generating	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—
Operational Buildings	—	—	—	—	—	1,974	350	—
Housing	—	—	—	—	—	—	—	—
Other Assets	—	—	—	—	—	1,974	350	—
Biological or Cultivated Assets	—	—	—	—	—	—	—	—
Servitudes	—	—	—	—	—	—	—	—
Licences and Rights	—	—	—	84	84	—	—	—
Intangible Assets	—	—	—	84	84	—	—	—
Computer Equipment	—	—	—	—	—	—	—	—
Furniture and Office Equipment	—	—	—	—	—	—	—	—
Machinery and Equipment	—	—	—	—	—	100	—	—
Transport Assets	—	—	—	—	—	—	—	—
Land	—	—	—	—	—	250	—	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE								
Total Capital Expenditure	45,546	52,744	104,150	140,330	140,330	144,420	87,879	105,331
Roads Infrastructure	12,258	4,210	13,530	32,397	32,397	16,639	22,133	16,399
Storm water Infrastructure	—	—	—	—	—	100	250	300
Electrical Infrastructure	19,930	14,336	28,737	49,391	49,391	42,821	20,547	24,086
Water Supply Infrastructure	4,166	18,337	4,704	31,135	31,135	23,629	11,848	28,458
Sanitation Infrastructure	2,893	521	35,976	4,376	4,376	19,156	15,509	12,330
Solid Waste Infrastructure	—	—	—	—	—	1,088	—	—
Information and Communication Infrastructure	—	4,680	—	700	700	400	—	—
Infrastructure	39,247	42,084	82,947	117,999	117,999	103,833	70,287	81,574
Community Facilities	—	44	517	619	619	1,380	—	—
Sport and Recreation Facilities	3,780	617	690	723	723	13,031	1,783	4,435
Community Assets	3,780	661	1,207	1,343	1,343	14,411	1,783	4,435
Non-revenue Generating	—	1,519	250	200	200	—	—	—
Investment properties	—	1,519	250	200	200	—	—	—
Operational Buildings	70	439	2,715	1,661	1,661	5,139	1,870	950
Housing	—	—	—	—	—	—	—	—
Other Assets	70	439	2,715	1,661	1,661	5,139	1,870	950
Licences and Rights	—	2,522	40	436	436	17	—	—
Intangible Assets	—	2,522	40	436	436	17	—	—
Computer Equipment	400	2,184	596	2,986	2,986	2,150	—	—
Furniture and Office Equipment	297	428	734	948	948	4,842	350	350
Machinery and Equipment	236	553	6,090	821	821	962	251	262
Transport Assets	1,515	2,354	9,571	13,937	13,937	12,566	13,088	17,760
Land	—	—	—	—	—	500	250	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	45,546	52,744	104,150	140,330	140,330	144,420	87,879	105,331
ASSET REGISTER SUMMARY - PPE (WDV)	2,415,202	2,298,318	2,465,442	2,353,054	2,353,054	2,421,881	2,429,914	2,449,354
Roads Infrastructure	605,484	384,094	297,988	396,116	396,116	389,260	386,840	377,705
Storm water Infrastructure	—	100,000	198,086	98,086	98,086	98,184	98,432	98,730
Electrical Infrastructure	305,808	283,803	346,033	319,084	319,084	347,795	353,597	362,349
Water Supply Infrastructure	402,579	387,695	396,746	403,012	403,012	410,822	406,140	417,407
Sanitation Infrastructure	105,210	112,149	129,919	111,436	111,436	125,501	135,691	142,489
Solid Waste Infrastructure	84,914	62,171	149,163	43,599	43,599	26,114	6,706	(13,479)
Rail Infrastructure	1,235	988	121	874	874	874	874	874
Information and Communication Infrastructure	2,467	48,097	2,465	47,795	47,795	48,195	48,195	48,195
Infrastructure	1,507,698	1,378,998	1,520,523	1,420,002	1,420,002	1,446,746	1,436,475	1,434,269
Community Assets	66,610	62,540	61,304	59,048	59,048	68,719	65,548	64,831
Heritage Assets	4,509	4,509	4,509	4,509	4,509	4,509	4,509	4,509
Investment properties	593,335	616,647	608,748	626,647	626,647	646,647	666,697	684,697
Other Assets	197,321	191,577	187,167	189,258	189,258	190,714	188,462	184,866
Biological or Cultivated Assets	—	—	—	—	—	—	—	—
Intangible Assets	3,746	5,909	18,778	6,345	6,345	6,362	6,362	6,362
Computer Equipment	611	6,784	5,864	6,552	6,552	7,883	7,027	6,137
Furniture and Office Equipment	8,230	5,596	7,369	5,148	5,148	7,359	4,958	2,448
Machinery and Equipment	5,744	6,610	13,965	7,262	7,262	7,271	6,525	5,751
Transport Assets	27,398	19,147	37,214	28,281	28,281	35,671	43,349	55,484
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2,415,202	2,298,318	2,465,442	2,353,054	2,353,054	2,421,881	2,429,914	2,449,354
EXPENDITURE OTHER ITEMS	90,170	118,057	111,509	114,801	114,801	123,247	123,045	127,967
Depreciation	79,069	104,090	95,594	95,594	95,594	95,594	99,895	103,891
Repairs and Maintenance by Asset Class	11,101	13,967	15,916	19,207	19,207	27,653	23,150	24,076
Roads Infrastructure	71	934	2,170	1,660	1,660	2,202	2,301	2,393
Electrical Infrastructure	1,246	1,719	1,578	1,353	1,353	1,769	1,849	1,923
Water Supply Infrastructure	2,427	1,344	1,000	1,698	1,698	7,894	2,501	2,601
Sanitation Infrastructure	498	311	510	1,338	1,338	1,458	1,524	1,585
Solid Waste Infrastructure	11	30	—	—	—	—	—	—
Information and Communication Infrastructure	—	44	55	85	85	88	92	96
Infrastructure	4,253	4,382	5,313	6,133	6,133	13,411	8,267	8,598
Community Facilities	—	167	922	1,165	1,165	1,158	1,210	1,259
Sport and Recreation Facilities	440	297	666	328	328	614	641	667
Community Assets	440	464	1,588	1,493	1,493	1,772	1,852	1,926
Operational Buildings	912	791	1,467	1,129	1,129	1,352	1,413	1,469
Other Assets	912	791	1,467	1,129	1,129	1,352	1,413	1,469
Licences and Rights	—	472	490	490	490	510	533	554
Intangible Assets	—	472	490	490	490	510	533	554
Computer Equipment	—	387	153	—	—	120	125	130
Furniture and Office Equipment	—	—	537	144	144	250	261	271
Machinery and Equipment	2,666	—	140	818	818	740	773	804
Transport Assets	2,830	7,472	6,229	9,000	9,000	9,500	9,928	10,325
TOTAL EXPENDITURE OTHER ITEMS	90,170	118,057	111,509	114,801	114,801	123,247	123,045	127,967

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs:
 - a. The minimum level of water services is available to all households – formal as well as informal areas.
 - b. Sanitation services backlogs increases to the projected 1 846 households in 2021/2022 who receive a service below the minimum service level. This is due to additional erven that is being surveyed.
 - c. Electricity services backlogs will be reduced to an estimated 0 households by 2021/2022.
 - d. The minimum level of refuse removal services is available to all households – formal as well as informal areas.
3. The Indigent and Subsidy amount will be limited to R 1 000 per household. For the 2019/2020 financial year National Treasury will subsidise R 403 per household via the equitable share allocation.
4. It is anticipated that these Free Basic Services will cost the municipality R 30.2 million in 2019/2020, stabilise at R 33.7 million by 2021/2022.

Table 27 MBRR Table A10 – Basic Service Delivery Measurement

Description	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets								
Water:								
Piped water inside dwelling	12,746	12,746	12,746	12,776	12,776	12,776	12,776	12,776
Piped water inside yard (but not in dwelling)	12,658	12,658	12,658	12,658	12,658	12,658	12,658	12,658
Using public tap (at least min.service level)	3,934	3,934	3,934	4,204	4,204	4,204	4,204	4,204
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	29,338	29,338	29,338	29,638	29,638	29,638	29,638	29,638
Below Minimum Service Level sub-total	–	–	–	284	284	284	284	284
Total number of households	29,338	29,338	29,338	29,922	29,922	29,922	29,922	29,922
Sanitation/sewerage:								
Flush toilet (connected to sewerage)	19,360	19,360	19,360	19,630	19,630	19,630	19,630	19,630
Flush toilet (with septic tank)	763	763	763	766	766	766	766	766
Chemical toilet	24	24	24	24	24	24	24	24
Pit toilet (ventilated)	306	306	306	306	306	306	306	306
Other toilet provisions (> min.service level)	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814
Minimum Service Level and Above sub-total	23,267	23,267	23,267	23,540	23,540	23,540	23,540	23,540
Bucket toilet	1,037	1,037	1,037	1,337	1,337	1,337	1,337	1,337
Other toilet provisions (< min.service level)	13	13	13	14	14	14	14	14
No toilet provisions	195	195	195	495	495	495	495	495
Below Minimum Service Level sub-total	1,245	1,245	1,245	1,846	1,846	1,846	1,846	1,846
Total number of households	24,512	24,512	24,512	25,386	25,386	25,386	25,386	25,386
Energy:								
Electricity (at least min.service level)	1,637	1,637	1,637	1,637	1,637	3,002	3,002	3,002
Electricity - prepaid (min.service level)	21,593	21,593	21,593	21,593	21,593	20,809	21,809	22,389
Minimum Service Level and Above sub-total	23,230	23,230	23,230	23,230	23,230	23,811	24,811	25,391
Electricity (< min.service level)	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	1,580	580	–
Other energy sources	2,457	2,457	2,457	2,457	2,457	–	–	–
Below Minimum Service Level sub-total	2,457	2,457	2,457	2,457	2,457	1,580	580	–
Total number of households	25,687	25,687	25,687	25,687	25,687	25,391	25,391	25,391
Refuse:								
Removed at least once a week	20,396	20,396	20,396	20,396	20,396	21,526	22,000	22,050
Minimum Service Level and Above sub-total	20,396	20,396	20,396	20,396	20,396	21,526	22,000	22,050
Removed less frequently than once a week	9,255	9,255	9,255	9,255	9,255	9,550	9,580	9,600
Using communal refuse dump	145	145	145	145	145	145	145	145
Using own refuse dump	765	765	765	765	765	595	595	595
Other rubbish disposal	4	4	4	4	4	–	–	–
Below Minimum Service Level sub-total	10,169	10,169	10,169	10,169	10,169	10,290	10,320	10,340
Total number of households	30,565	30,565	30,565	30,565	30,565	31,816	32,320	32,390
Households receiving Free Basic Service								
Water (10 kilolitres per household per month)	2,673	2,476	3,431	3,431	3,431	3,431	3,431	3,431
Sanitation (free minimum level service)	6,562	7,285	6,994	6,994	6,994	6,994	6,994	6,994
Electricity/other energy (50kwh per household per month)	4,085	4,176	7,593	7,593	7,593	7,593	7,593	7,593
Refuse (removed at least once a week)	6,241	8,305	7,303	7,303	7,303	7,303	7,303	7,303
Cost of Free Basic Services provided (R'000)	–	–	–	–	–	–	–	–
Water (10 kilolitres per household per month)	2,673	3,157	4,109	2,867	2,867	3,025	3,161	3,287
Sanitation (free sanitation service)	6,562	8,066	9,106	9,477	9,477	9,998	10,598	11,181
Electricity/other energy (50kwh per household per month)	4,085	5,160	5,350	5,721	5,721	6,150	6,518	6,877
Refuse (removed once a week)	6,241	7,864	8,770	10,446	10,446	11,021	11,682	12,325
Indigent Subsidy Totals	–	–	–	–	–	–	–	–
Total cost of FBS provided (minimum social package)	19,561	24,247	27,335	28,511	28,511	30,193	31,960	33,670
Highest level of free service provided								
Property rates (R value threshold)	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)	–	–	135	135	135	265	280	295
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50
Refuse (R per household per month)	–	–	138	138	138	545	575	607
Revenue cost of free services provided (R'000)								
Property rates (other exemptions, reductions and rebates)	8,224	10,275	10,715	10,935	10,935	7,372	7,815	8,244
Total revenue cost of free services provided (total social package)	8,224	10,275	10,715	10,935	10,935	7,372	7,815	8,244

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Executive Committee members, the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices;
- That there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.2.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August every year) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget process plan with time schedule before the 31st of August 2018. Key dates applicable to the process were:

- **November 2018** – 1st Budget work session of all councillors and senior management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2019/2020 MTREF;
- **January 2019** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines and the compilation of the 1st MTREF;
- **January 2019** – Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **February 2019** – Multi-year budget proposals are submitted to the Executive Committee (2nd budget work session of all councillors and senior management) for endorsement;
- **28 February 2019** – Council considers the 2018/2019 Mid-year Review and Adjustments Budget;
- **31 March 2019** – Tabling in Council of the 2019/2020 IDP, 2019/2020 SDBIP and 2019/2020 MTREF for public consultation;
- **April 2019 – May 2019** – Public consultation
- **3 May 2019** – Closing date for written comments;
- **21 May 2019** – Finalisation and workshop with Council of the 2019/2020 IDP and 2019/2020 MTREF, taking into consideration comments received from the public,

comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and

- **28 May 2019** – Tabling of the 2019/2020 MTREF before Council for consideration and final approval.

There were no serious deviations from the key dates set out in the Budget Time Schedule tabled in Council.

1.2.2 IDP and Service Delivery and Budget Implementation Plan

This is a newly developed IDP for Council after the municipal elections that were held in August 2016.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the newly developed IDP includes the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2019/2020 MTREF, based on the approved 2018/2019 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2019/2020 MTREF, each department / function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/2020 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

1.2.3 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2019/2020 MTREF; extensive financial modelling were undertaken to ensure affordable tariffs and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2019/2020 MTREF:

- Municipality's growth;
- Policy priorities and strategic objectives;
- Asset maintenance;
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns);
- Performance trends;
- The approved 2018/2019 adjustments budget and performance against the SDBIP;
- Cash Flow Management Strategy;
- Debtor payment levels;
- Loan and investment possibilities;
- The need for tariff increases vs. The ability of the community to pay for services; and
- Improved and sustainable service delivery.

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 85 & 86 has been taken into consideration in the planning and prioritisation process.

1.2.4 Community Consultation

The draft 2019/2020 MTREF as tabled before Council on 28 March 2019; and, for community consultation was published on the municipality's website and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees was utilised to facilitate the community consultation process during April 2019 – May 2019, and it included a public workshop for all councillors, senior management, ward committee members, sector departments, organisational stakeholders and any member of the local public. The applicable dates and venue will be published in all the local newspapers.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a

role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this newly developed IDP was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIS);
- Accelerated and Shared Growth Initiative (ASGISA);

- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's eleven strategic objectives for the 2019/2020 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 28 IDP Strategic Objectives

Key Performance Area (KPA)	Key Performance Indicator (KPI)	Strategic Objective
KPA 1: Land Management	1. Spatial Development, Town Planning and Land-use Management	Provide the framework and vision required for improving the quality of life of the people living in Dawid Kruiper
		Manage the development of sustainable land use, economic, spatial and environmental planning according to predetermined acceptable levels
KPA 2: Service Delivery and Infrastructure Delivery	2. Water Resources and Services;	Develop, manage and maintain essential bulk water infrastructure and facilities to accommodate the aspirations, needs and pressures of present and future industries, businesses and dependent communities
		Develop, manage and maintain necessary infrastructure and facilities required to improve the provision of water services
	3. Sewerage;	Develop, manage and maintain essential bulk sewerage infrastructure and facilities to accommodate the aspirations, needs and pressures of present and future industries,

		businesses and dependent communities
		Develop, manage and maintain necessary infrastructure and facilities required to improve the provision of sewerage services
	4. Human Settlement and Housing;	Eradicate housing backlogs in municipal area
		Provide for sustainable human settlements (housing)
	5. Energy and Electricity;	Provide, manage and maintain essential infrastructure required to improve electricity provision
	6. Roads, Transport and Storm Water Drainage;	Develop, manage and maintain necessary Road, Transport and Storm water infrastructure and facilities required to improve transportation in, and aesthetic qualities of urban areas
KPA 3: Local Economic Development	8 Economic Growth and Job Creation	Promote the development of tourist infrastructure that will enhance tourism
		Create an environment that promotes the development of a diversified and sustainable economy
KPA 4: Financial Viability	9 Community Development and Facilities;	Provide equal access to sport, park, recreational facilities and other public amenities to all residents
KPA 5: Institutional Transformation		10 Administrative and Institutional Capacity
	Pro-active prevention, mitigation, identification and management of environmental health, fire and disaster risks	
	Provide safety to communities through law enforcement services and through legislative requirements	
	Promote and improve public relations through stakeholder participation and good customer service.	
		Align institutional arrangements to provide

KPA 6: Good Governance and Customer Care		an effective and efficient support service to deliver on organizational objectives. Enable and improve financial viability and management through well-structured budget processes, financial systems and MFMA compliance
KPA 7: Social Services		

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives (National KPA's):

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;
 - Provide city planning services; and
 - Maintaining the infrastructure of the municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the municipality;
 - Ensuring planning processes function in accordance with set timeframes; and

- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
3. Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
4. Integrated Social Services for empowered and sustainable communities:
- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme.
5. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
6. Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website.
7. Ensure financial sustainability through:
- Reviewing the use of contracted services; and
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan.

8. Optimal institutional transformation to ensure capacity to achieve set objectives:

- Review of the organizational structure to optimize the use of personnel.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five national strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectorial plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the newly developed IDP, including:

- Strengthening the analysis and strategic planning processes of the municipality;

- Initiating zonally planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better co-ordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2019/2020 MTREF has therefore been directly informed by the IDP revision process and tables 29 – 31 provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 29 MBRR Table SA4 –
Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective / R thousand	Goal	2019/20 Medium Term Revenue & Expenditure Framework		
		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Align institutional arrangements to provide an effective and efficient support service to deliver on organisational objectives	Improve financial sustainability and provide sound administration	34,090	26,303	28,047
	Service delivery and infrastructure development	100,580	106,660	112,574
	Upgrade and new electricity distribution networks	331,210	351,083	370,393
	Reduction of electricity losses and management of own usage	1,589	1,684	1,777
Enable and improve financial viability and management through well-structured budget processes, financial systems, and MFMA compliance through legislative requirements	Improve financial sustainability and provide sound administration	330,368	335,768	354,968
Eradicate housing backlogs in municipal area	Township establishment and provision of serviced stands	650	679	710
Manage the development of sustainable land use, economic, spatial and environmental planning according to predetermined acceptable levels	Facilitating rural development	5,266	5,582	5,889
Promote the development of tourist infrastructure that will enhance tourism	Promote shared economic growth and development	3,629	3,846	4,058
Total Revenue (excluding capital transfers and contributions)		807,382	831,606	878,415

**Table 30 MBRR Table SA5 –
Reconciliation between the IDP strategic objectives and budgeted operating
expenditure**

Strategic Objective / R thousand	Goal	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Align institutional arrangements to provide an effective and efficient support service to deliver on organisational objectives	Establish the necessary skills and institutional capacity	107	112	116
	Improve financial sustainability and provide sound administration	15,035	15,878	16,929
	Promote shared economic growth and development	2,016	5,313	8,559
	Service delivery and infrastructure development	145,123	146,069	153,519
	Upgrade and new electricity distribution networks	204,264	223,857	232,954
	Reduction of electricity losses and management of own usage	7,418	7,793	8,160
Create an environment that promotes the development of a diversified and sustainable economy	Promote shared economic growth and development	4,708	9,926	10,558
Enable and improve financial viability and management through well- structured budget processes, financial systems, and MFMA compliance through legislative requirements	Improve financial sustainability and provide sound administration	308,145	322,469	338,725
	Promote shared economic growth and development	12,766	13,581	14,445
Eradicate housing backlogs in municipal area	Township establishment and provision of serviced stands	5,787	6,148	6,532
Manage the development of sustainable land use, economic, spatial and environmental planning according to predetermined acceptable levels	Facilitating rural development	7,271	7,728	8,208

**Table 30 MBRR Table SA5 –
Reconciliation between the IDP strategic objectives and budgeted operating
expenditure (continue)**

Strategic Objective / R thousand	Goal	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Promote and improve public relations through	Promote good governance and active citizenry	2,562	2,726	2,901
Promote the development of tourist infrastructure that will enhance tourism	Promote shared economic growth and development	15,863	16,528	17,494
Provide, manage and maintain essential infrastructure required to improve the provision of electrical services	Upgrade and new electricity distribution networks	18,645	19,603	20,545
Provide quality basic services to all communities within the municipality (i.e.	Service delivery and infrastructure development	3,508	3,612	3,824
Total Expenditure		753,217	801,343	843,469

**Table 31 MBRR Table SA6 –
Reconciliation between the IDP strategic objectives and budgeted capital
expenditure**

Strategic Objective / R thousand	Goal	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Enable and improve financial viability and management through well-structured budget processes, financial systems, and MFMA compliance through legislative requirements	Improve financial sustainability and provide sound administration	-	-	9	2	2	1	-	-
Provide quality basic services to all communities within the municipality (i.e. electricity; water; sanitation; refuse	Service delivery and infrastructure development	45,546	52,692	104,141	140,328	140,328	144,420	87,879	105,331
Total Capital Expenditure		45,546	52,692	104,150	140,330	140,330	144,420	87,879	105,331

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting

stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

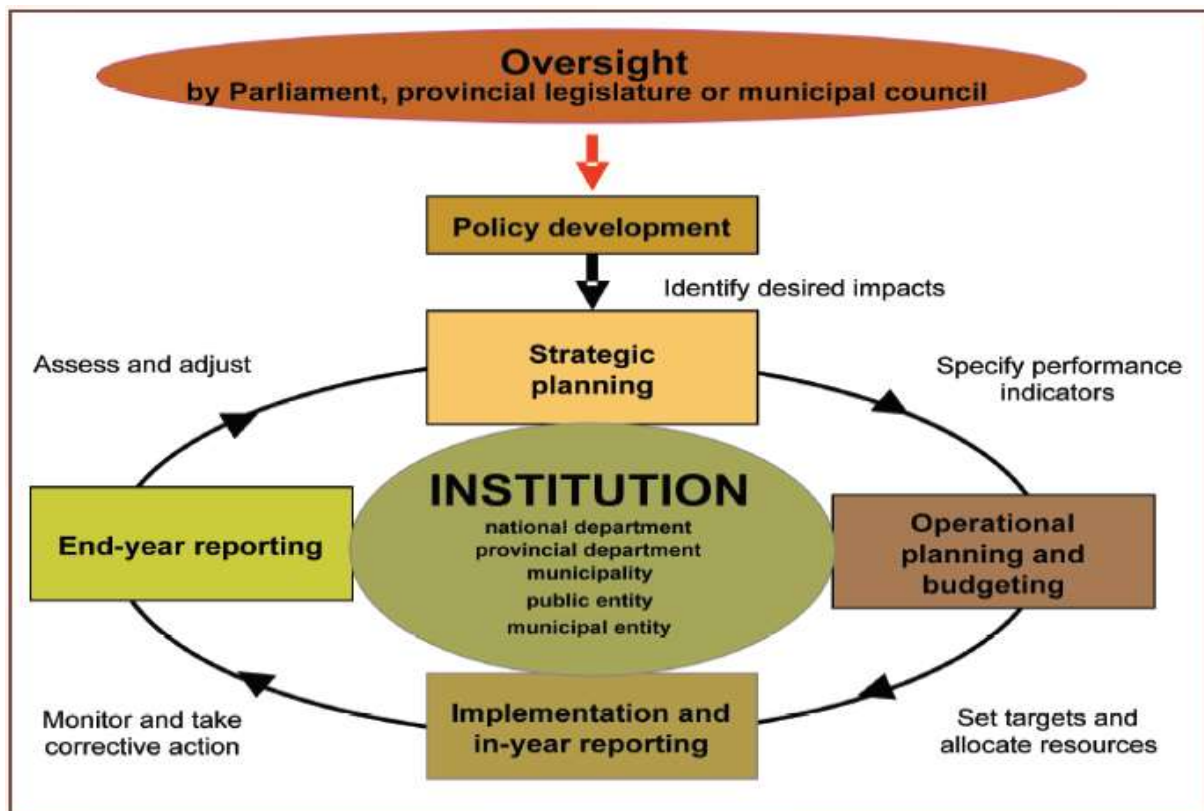


Figure 2 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose);
- and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:



The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 32 MBRR Table SA7 – Measurable performance objectives

Unit of measurement	Unit of measurement	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
0083: Municipal Manager	Annual Report	1	1	1	1	1	1	1	1
0002: Municipal Council									
<i>Review the Organisational Structure annually</i>									
0011: Office of the Municipal Manager	Report	4	4	4	4	4	4	4	4
<i>Report quarterly to Council on the progress with the implementation of the Audit Recovery Plan</i>									
0032: Internal Audit	RBAP and annual	1	1	1	1	1	1	1	1
<i>3 year Risk Based Audit Plan and annual</i>									
0070: Performance Management	Number of quarterly reports submitted	4	4	4	4	4	4	4	4
<i>Report quarterly to Council on the progress with the implementation of the Audit Recovery Plan</i>									
0071: Risk Management	Risk Management Plan submitted	1	1	1	1	1	1	1	1
<i>Submit Risk Management Plan to Council by 31 May 2019</i>									
0083: Municipal Manager	Performance Report (Section 46) submitted	1	1	1	1	1	1	1	1
<i>Submit the Performance Report (Section 46) to the Auditor-General by 31 August 2018</i>									
1037: Council Ward Committee	Reports	4	4	4	4	4	4	4	4
<i>Execute special events per annum</i>									
0081: Corporate Services	Percentage	83.8%	97.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
0001: Administration									
<i>80% of assigned council resolutions executed by end of each quarter</i>	Report	1	1	1	1	1	1	1	1
0004: Property Administration									
<i>Updated and reconcile land disposal register</i>	Reports	12	12	12	12	12	12	12	12
0008: Communications									
<i>Die Werker - issues</i>	reports submitted	1	1	1	1	1	1	1	1
0009: Human Resource									
<i>Submission of EE report by 15 January 2019</i>	Report submitted	1	1	1	1	1	1	1	1
0038: Director Corporate Service									
<i>Compile the Annual report and submit to</i>	Number of Municipal Code reports submitted	4	4	4	4	4	4	4	4
0039: Legal Services									
<i>Updating of Municipal Code on a quarterly basis</i>	Plot 702 purchased by	1	1	1	1	1	1	1	1
0043: Commonage									
<i>Purchase Plot 702 by 31 October 2018</i>	Percentage	125.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0080: Budget & Treasury Office									
0007: Financial Services	Report	1	1	1	1	1	1	1	1
<i>Actual operational expenditure as a % of</i>									
0033: Information Technology	Report	1	1	1	1	1	1	1	1
<i>Maintain information technology equipment, networks and software</i>									

0080: Chief Financial Officer (Office of the CFO)									
Debtors administration - Debtors Test =	Number of days	50.21 Days	35 Days	66Days	66 Days	66Days	66 Days	66 Days	66 Days
0085: Budget and Treasury Office									
Compile and submit the annual financial statements to the Auditor-General (AGSA) by 31 August 2018	Annual financial statements submitted by 31 August 2018	1	1	1	1	1	1	1	1
0086: Supply Chain Management Unit									
Annual stock take by 30 June 2019	Number of stock takes	1	1	1	1	1	1	1	1
0088: Asset Management Unit									
Update the investment register on a quarterly basis	Number of updates	4	4	4	4	4	4	4	4
0082: Community Service									
0003: Libraries									
Spend 90% of the approved capital budget for Library Services by 30 June 2019 {(Actual expenditure divided by the total approved budget)x100}	% budget spent	N/A	42531	38600	38600	38600	38600	38600	38600
0020: Traffic Services									
Spend 90% of the capital budget for Traffic	% budget spent	N/A	6483	6960	6960	6960	6960	6960	6960
0021: Fire Brigade Service									
Install a fire alarm notification system by 30 April 2019	Fire alarm notification system installed	—	—	1	1	1	—	—	—
0024: Security Service									
Compile a quarterly duty schedule and	Number of schedules	4	4	4	4	4	4	4	4
0027: Refuse Removal Services									
Percentage of households with access to refuse removal services as at 30 June 2019	% of households	100%	100%	100%	100%	100%	100%	100%	100%
0050: Parks									
Turf Maintenance Parks : Execution of	Plan	4	4	4	4	4	4	4	4
0052: Swimming Pools									
Install a swimming pool pump at Paballelo Swimming Pool by 31 December 2018	Swimming pool pump installed	—	—	1	1	1	—	—	—
0055: Sport Grounds									
Construct a fence at the MD Jacobs	Fence constructed			1	1	1			
0057: Cemeteries									
Conduct weekly inspections of town cemeteries	Report	1	1	1	1	1	1	1	1
0084: Electro Mech Services									
0034: Fleet Management									
90% of vehicles and equipment serviced within 90 days from the service due date	% of vehicles and equipment serviced within the due date	21.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
0059: Electricity Administration									
New electricity Pre-paid meter connections	Percentage	100%	100%	100%	100%	100%	100%	100%	100%
0063: Electricity Planning and Metering									
Prepaid meters for new customers	% of pre-paid meters inspected as per the inspection programme	100%	100%	100%	100%	100%	100%	100%	100%
0084: Director Electro Mechanical Services									
80% of assigned council resolutions	Percentage	80%	100%	100%	100%	100%	100%	100%	100%

Civil Engineering Service									
0026: Sanitation Services									
Rendering of sanitation services as per	Percentage	100%	100%	100%	100%	100%	100%	100%	100%
0028: Vacuum Tank Services									
Rendering of vacuum tank services on request	% of requests executed per quarter	100%	95%	100%	100%	100%	100%	100%	100%
0040: Civil Engineering Services									
80% of assigned council resolutions	Percentage	83%	100%	100%	100%	100%	100%	100%	100%
0041: Street and Storm Water Drainage									
Conduct maintenance (Roads) : 75% of planned maintenance completed per quarter	Percentage	—	80%	100%	100%	100%	100%	100%	100%
0048: Sewerage Distribution Networks									
Spend 90% of the budget allocated for the	% of budget spent			90%	90%	90%	100%	100%	100%
0066: Water Production									
80% of quarterly effluent samples meet the minimum Green Drop biological standards during the 2018/19 financial year	% of minimum effluent quality standards is achieved	95%	95%	95%	95%	95%	95%	95%	95%
0067: Water Distribution									
Percentage of households with access to	% of house holds with	85%	94%	80%	80%	80%	80%	80%	80%
0072: Director Civil Engineering Services									
Complete the upgrade of the water supply to Hakskeenpan by 30 June 2019	Project completed	—	—	1	1	1	—	—	—
0075: Client Services									
Attend to 80% of all requests logged in the	% of requests attended to	100%	100%	100%	100%	100%	100%	100%	100%
0077: Community Support & Overtime									
Procure 5000L water tanks in terms of the budget allocated by 30 June 2019	Number of water tanks procured	15	16	20	20	20	15	15	15
Planning and Development Services									
0018: Housing & Development									
Develop an Integrated Human Settlement Plan and submit to Council by 30 May 2019	Integrated Human Settlement Plan submitted	—	1	1	1	1	1	1	1
0019: IDP									
Submit the final IDP to Council by 31 May	Final IDP submitted	1	1	1	1	1	1	1	1
0030: Town Planning and Building									
Inspect 100% of illegal buildings and land use transgressions within 7 days	% of illegal buildings and land use transgressions inspected	1	100%	100%	100%	100%	100%	100%	100%
0031: Local Economic									
Develop an LED Strategy and submit to Council by 31 March 2019	LED Strategy submitted	1	1	1	1	1	1	1	1
0051: Eiland Resort									
Manage holiday resorts - Quarterly report on resort statistics (% of budget achieved)	Report	4	4	4	4	4	4	4	4
0073: Director Planning & Development									
80% of assigned council resolutions	Percentage	100.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
0074: Planning And Project									
Submit the PMU Business Plan and budget to the Director by 30 April 2019	Director by 30 April 2019 PMU Business Plan and budget submitted	1	1	1		1	1	1	1
0078: Project Management Unit									
Construct a bulk sewerage treatment plant	Project completed			1	1	1			

The following table sets out the municipalities main performance objectives and benchmarks for the 2019/2020 MTREF.

Table 33 MBRR Table SA8 – Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Borrowing Management</u>									
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.0%	2.8%	3.5%	3.0%	3.0%	2.8%	2.8%	2.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.8%	3.6%	4.2%	3.9%	3.9%	3.2%	3.3%	3.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	64.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>									
Current Ratio	Current assets/current liabilities	0.70	0.74	0.63	0.55	0.55	0.55	0.40	0.40
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.70	0.74	0.63	0.55	0.55	0.55	0.40	0.40
Liquidity Ratio	Monetary Assets/Current Liabilities	0.24	0.36	0.21	0.22	0.22	0.22	0.22	0.27
<u>Revenue Management</u>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	102.5%	91.4%	100.0%	99.5%	99.5%	99.5%	103.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		102.5%	91.4%	100.0%	99.5%	99.5%	99.5%	103.5%	100.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.6%	11.8%	8.4%	9.2%	9.2%	9.2%	4.3%	2.7%
<u>Creditors Management</u>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Creditors to Cash and Investments		136.3%	99.6%	90.2%	149.8%	149.8%	149.8%	157.3%	132.1%
<u>Other Indicators</u>									
Employee costs	Employee costs/(Total Revenue - capital revenue)	44%	48%	46%	47%	47%	47%	42%	43%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0%	0%	47%	49%	49%	0%	43%	45%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2%	2%	2%	3%	3%	0%	4%	3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	17%	18%	15%	16%	16%	16%	14%	14%
<u>IDP regulation financial viability indicators</u>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	30.5	25.7	36.6	36.6	36.6	32.3	33.0	33.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.0
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.2	1.7	0.7	0.9	0.9	0.9	1.0	1.0

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Dawid Kruiper Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2019/2020 MTREF:

- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily increased. This increase can be attributed to the raising of loans to fund portions of the capital programme. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the municipality has reached its prudential borrowing limits. As the municipality has reached its borrowing limits, no external loans will be raised from 2019/2020 – 2021/2022.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

The municipality's debt profile provides some interesting insights on the municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical

in meeting the repayments of the debt service costs. As part of the compilation of the 2019/2020 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 Safety of Capital

The reason for this was that all cash-backed reserves for funding capital expenditure were depleted. It stays at 0% until 2021/2022. The medium term strategy is to steadily increase the gearing ratio to a level that does not exceed 50% as a prudential limit, hence, the municipality will have to find ways and means to get rid of unfunded mandates and to service land for resale purposes to build up cash back reserves for capital expenditure again. Also should investment in basic services infrastructure in formal and informal areas for breaking new ground housing purposes with the municipality's own reserves be recouped from national and provincial housing funding programmes. The municipality cannot carry on borrowing funds from external sources.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1:1. For the MTREF the current ratio is 0.4 in the 2019/2020 financial year and 0.4 for the two outer years of the MTREF. Going forward it will be necessary to improve these levels to the benchmark limit. This is mainly due to provisions for landfill sites, quarries and Employee Benefit Obligations.
- *The liquidity ratio* is a measure of the ability of the municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.4 *Revenue Management*

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

2.3.1.5 *Creditors Management*

The municipality has striven to ensure that creditors are settled within the legislated 30 days of receiving invoices. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure that most payments comply with this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

2.3.1.6 *Other Indicators*

- Employee costs as a percentage of operating revenue increases and decreases depending on factors like the implementation of housing programmes over the past and future financial years. Another factor that affects this percentage the high increase in bulk purchases which directly increase revenue levels. National Treasury has indicated in MFMA Circular No 66 that there is no benchmark to be measured against due to all these factors influencing it.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. Only registered indigents qualify for the free basic services.

In terms of the municipality's indigent policy registered households are entitled to 6 kℓ "free" water, 50 kWh "free" electricity, "free" sanitation and "free" waste removal services once a week, as well as a 100% discount on their property rates. The overall indigent subsidy per household will be limited to R 1 000 (including VAT). National Treasury subsidise R 403 via the equitable share allocation and the municipality contributes a further R 597.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 53.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, and etcetera) are taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. The municipality buys its raw water from Department of Water Affairs (DWA) by extracting it directly from the Orange River to purify it before distributing it to the local community.

The DWA conducts an annual performance rating of potable and waste water treatment works; presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Our purified drinking water is of exceptional quality, free of e-coli.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

2.4 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of credit control and debt collection procedures/policies

The Customer Care, Credit Control, Debt Collection and Indigent Support Policy was approved by Council and reviewed in 2018/2019. The revised policy will be finally approved during May 2019.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2019/2020 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 95% on current billings. The first nine months of the 2018/2019 financial year yielded a collection rate of 98% due to government departments honouring their commitments. The municipality expects government departments to honour their past and future commitments during 2019/2020 to avoid their services being discontinued. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels. In addition, the municipality's payment incentive scheme through its Writing-Off of Irrecoverable Debt Policy seems to be working and it is taking the customers out of their spiral debt. The increase in the provision for bad debt is due to the revised method used to calculate the provision in terms of GRAP 9.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme, where possible, was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the City continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy, to allow for legislation changes, was reviewed during 2017/2018.

2.4.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The revised policy, in terms of MSCOA, will be tabled to Council during May 2019 for approval.

2.4.6 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy were amended by Council in May 2011. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks. The policy will be tabled to Council during June 2019.

2.4.7 Tariff Policies

The municipality's Tariff Policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The Tariff Policy, as approved by Council in May 2018, has been reviewed and changes to the policy will be approved on 28 May 2019.

2.4.8 Property Rates Policy

The municipality's Property Rates Policy provides a broad framework within which the Council can determine property rates levies. The Tariff Policy as approved by Council in May 2018 has been reviewed. Changes to the policy will be approved on the 28th of May 2019.

2.4.9 Funding and Reserves Policy

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements. The draft policy was tabled to Council on the 28th of March 2019. The final policy will be approved on the 28th of May 2019.

2.4.10 Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy (Financial Plan included as Annexure A to the IDP) has directly informed the compilation of the 2019/2020 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every November as part of the IDP and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Approved 2018/2019 Adjustments Budget;
- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e. Inflation, household debt levels, indigent factors, growth, recessionary implications);

- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available on the municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

2.5 Overview of budget assumptions

2.5.1 External factors

The *Budget Review 2018* notes received from Provincial Treasury states that the South African economy has demonstrated resilience despite unsettles international economic conditions. Global developments are likely to hold back higher growth over the short-term, resulting in gross domestic product (GDP) growth being expected to slow from 0.7% in 2019 to 2.1% in 2022.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/2020 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 47.3% of total operating expenditure, excluding depreciation, in the 2019/2020 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

2.5.3 Credit rating outlook

Table 34 Credit rating outlook

Security class	Currency	Rating	Annual rating 2019/2020	Previous Rating
Short term	Rand	N/A	N/A	N/A
Long-term	Rand	N/A	N/A	N/A
Outlook	Rand	N/A	N/A	N/A

The municipality has not been rated by a rating agency.

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2019/2020 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2019/2020 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long-term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (98%) of annual billings. Cash flow is assumed to be 95% of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.6 Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.7 Salary increases

The percentage increase for regarding salaries / wages for the 2019/2020 are 6.5%, in terms of the Collective Agreement. Over the MTREF the municipality has provided for a cost-of-living increase of 6.5% (2020/2021), and 6.5% (2021/2022).

2.5.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDP's, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives. Unfortunately, some of these services come at a cost for the municipality since not all activities is 100% funded through funds that follow functions (unfunded mandates).

2.5.9 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 95% is achieved on operating expenditure and 95% on the capital programme for the 2019/2020 MTREF of which performance has been factored into the cash flow budget. The municipality expects to recover 95% of its budgeted revenue.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 35 Breakdown of the operating revenue over the medium-term

Description	2019/20 Medium Term Revenue & Expenditure Framework					
	Budget Year 2019/20	%	Budget Year +1 2020/21	%	Budget Year +2 2021/22	%
Property rates	106,762	14.2%	112,107	14.2%	118,273	14.2%
Service charges	473,160	63.1%	501,594	63.4%	529,230	63.5%
Interest earned - external investments	3,687	0.5%	3,908	0.5%	4,123	0.5%
Transfers recognised - operational	101,533	13.5%	106,046	13.4%	114,408	13.7%
Other own revenue	65,030	8.7%	67,244	8.5%	67,783	8.1%
Total Operational Revenue (excluding capital transfers and contributions)	750,171	100.0%	790,901	100.0%	833,817	100.0%
Total Operational Expenditure	753,217		801,343		843,469	
Surplus/(Deficit)	(3,046)		(10,442)		(9,652)	

The following graph is a breakdown of the operational revenue per main category for the 2019/2020 financial year.



Figure 3 Breakdown of operating revenue over the 2019/2020 MTREF

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus (excluding non-cash items) of R 134.3 million (2019/2020) and R 115.7 million and R 116.0 million in the two outer years. This surplus is intended to fully fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.) completes the revenue base.

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 95% annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing / calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2019/2020 MTREF on the different revenue categories are:

Revenue to be generated from property rates is R 106.8 million in the 2019/2020 financial year and increases to R 118.3 million by 2021/2022 which represents 14.2% of the operating revenue base of the municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The municipality is in a process of further data verification and validation relating to the valuation roll. The new valuation roll was implemented from 1 July 2014 and is valid for 4 years. The valuation is supplemented every year as supplementary valuations are performed. As the levying of property rates is considered strategic revenue source a further supplementary valuation process will be undertaken as necessary during the financial year. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R 473.2 million for the 2019/2020 financial year and increasing to R 529.2 million by 2021/2022. For the 2019/2020 financial year services charges amount to 63.1% of the total revenue base and increase to 63.5% by 2021/2022. This increase can mainly be attributed to the increase in the bulk prices of electricity and water.

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. Operating grants and transfers totals R 101.5 million in the 2019/2020 financial year, R 106.0 for 2020/2021 and R 114.4 million by 2021/2022. Note that the year-on-year growth for the 2019/2020 financial year is 4.8% and 4.4% and 7.9% for the outer years. The following table gives a breakdown of the proposed tariff increases over the MTREF:

Table 36 Proposed Tariff increases over the Medium-Term

Revenue Category	2019/20 Proposed Tariff Increase	2020/21 Proposed Tariff Increase	2021/22 Proposed Tariff Increase	2019/20 Total Budgeted Revenue
	%	%	%	R'000
Property Rates	±5.50%	±5.50%	±5.50%	106,762
Electricity	13.87%	±5.50%	±5.50%	332,740
Water	±5.50%	±5.50%	±5.50%	66,057
Sanitation	±5.50%	±5.50%	±5.50%	39,500
Refuse Removal	±5.50%	±5.50%	±5.50%	34,863
Total				579,921

The tables below provide detail investment information and investment particulars by maturity.

Table 37 MBRR SA15 – Detail Investment Information

Investment type / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Parent municipality</u>								
Deposits - Bank	-	-	-	-	-	-	-	-
Municipality sub-total	-	-	-	-	-	-	-	-
<u>Entities</u>								
Entities sub-total	-	-	-	-	-	-	-	-
Consolidated total:	-	-	-	-	-	-	-	-

Table 38 MBRR SA16 – Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Monetary value	Interest to be realised
	Yrs/Months				Rand thousand	
<u>Parent municipality</u>						
Not applicable - all investments qualify as cash and cash equivalents (Cash)	Months	Depositor Plus	No	Variable	-	-
Municipality sub-total					-	-
<u>Entities</u>						
Entities sub-total					-	-
TOTAL INVESTMENTS AND INTEREST					-	-

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2019/2020 to 2021/2022 medium-term capital programme:

Table 39 Sources of capital revenue over the MTREF

Description / R thousand	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2019/20	%	Budget Year +1 2020/21	%	Budget Year +2 2021/22	%
Funded by:								
National Government	61,741	44.0%	55,733	38.6%	40,705	46.3%	44,599	42.3%
Provincial Government	5,861	4.2%	1,478	1.0%	-	0.0%	-	0.0%
Transfers recognised - capital	67,652	48.2%	57,211	39.6%	40,705	46.3%	44,599	42.3%
Borrowing	9,806	7.0%	-	0.0%	-	0.0%	-	0.0%
Internally generated funds	62,872	44.8%	87,210	60.4%	47,174	53.7%	60,733	57.7%
Total Capital Funding	140,330	100.0%	144,420	100.0%	87,879	100.0%	105,331	100.0%

Capital grants and receipts equates to 39.6% of the total funding source which represents R 57.2 million for the 2019/2020 financial year and decreases to R 40.7 million (46.3%) for 2020/2021 before increasing to R 44.6 million or 42.3% by 2021/2022.

Own funding still remains a significant funding source for the capital programme over the medium-term with an estimated R 87.2 million, R 47.2 million and R 60.7 million to be raised for each of the respective financial years..

As explained earlier, the borrowing capacity of the municipality has essentially reached its limits and therefore no borrowing is being budgeted for from 2019/2020 – 2021/2022

Figure 4 is graphically represented as follows for the 2019/2020 financial year.

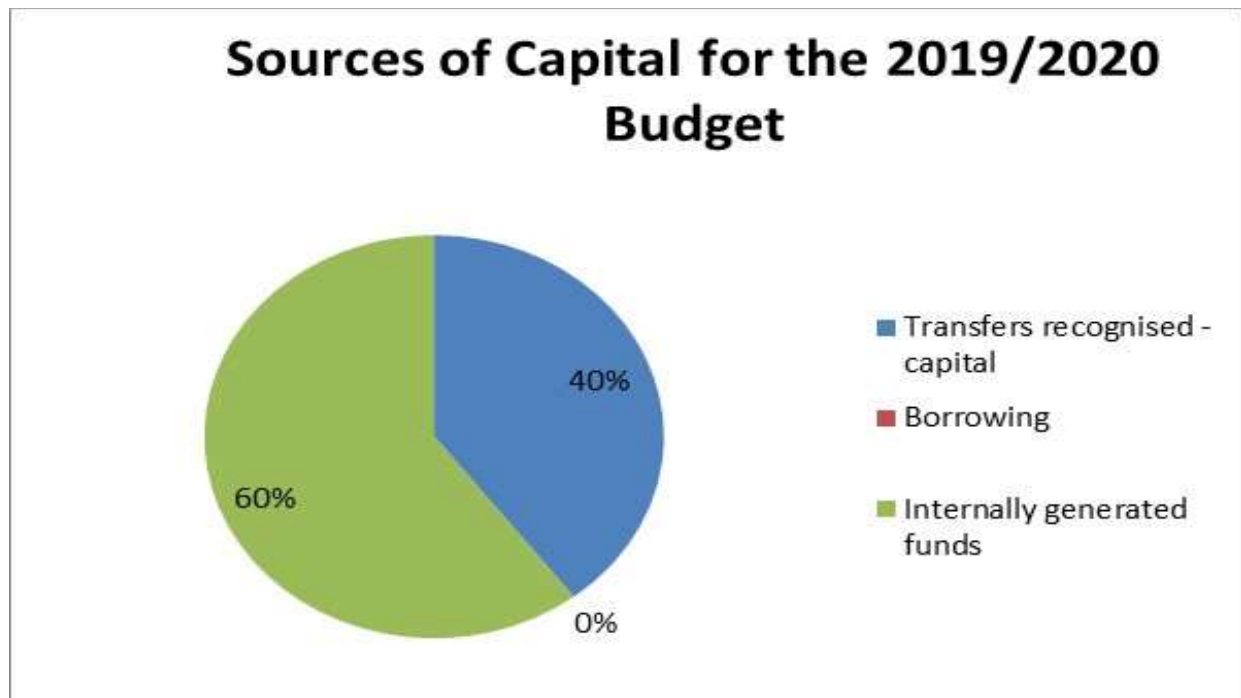


Figure 4 Sources of capital revenue for the 2019/2020 financial year

The following table is a detailed analysis of the municipality's borrowing liability.

Table 40 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorized by type / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Parent municipality</u>								
Long-Term Loans								
(annuity/reducing balance)	104,021	105,315	89,077	95,191	95,191	84,191	72,691	60,691
Municipality sub-total	104,021	105,315	89,077	95,191	95,191	84,191	72,691	60,691
<u>Entities</u>								
Entities sub-total	-	-	-	-	-	-	-	-
Total Borrowing	104,021	105,315	89,077	95,191	95,191	84,191	72,691	60,691

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below.

Table 41 below provides more detail of the capital transfers and grant receipts.

Table 41 MBRR Table SA 18 - Capital transfers and grants receipts

Description / R thousand	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Transfers and Grants						
National Government:	43,907	39,686	39,686	55,733	40,705	44,599
Municipal Infrastructure Grant (MIG)	20,428	16,124	16,124	28,570	21,783	23,227
Expanded Public Works Programme	-	-	-	1,250	-	-
Integrated National Electrification Grant	12,174	12,174	12,174	14,957	5,009	5,284
Energy Efficiency and Demand Side Management	2,609	2,609	2,609	3,478	3,478	4,348
Neighbourhood Development Partnership Grant	-	-	-	-	2,174	3,043
Water Service Infrastructure Grant	8,696	8,696	8,696	7,478	8,261	8,696
Financial Management Grant	-	84	84	-	-	-
Provincial Government:	1,783	2,060	2,060	1,478	-	-
COGHSTA	1,565	1,565	1,565	-	-	-
DEDAT	-	-	-	1,478	-	-
Sport and Recreation	217	495	495	-	-	-
Other grant providers:	-	50	50	-	-	-
Directo Signs	-	50	50	-	-	-
Total Capital Transfers and Grants	45,689	41,796	41,796	57,211	40,705	44,599

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 42 MBRR Table A7 - Budget cash flow statement

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	85,881	93,323	99,424	97,734	97,734	111,806	112,331	116,778
Service charges	337,359	331,663	447,595	425,391	425,391	488,293	502,266	524,746
Other revenue	26,477	31,601	24,894	26,851	26,851	25,564	26,561	28,015
Government - operating	71,495	86,781	93,392	96,898	96,898	101,533	106,046	114,408
Government - capital	35,364	34,192	45,689	67,652	67,652	57,211	40,705	44,599
Interest	5,829	7,977	7,350	6,910	6,910	8,152	8,641	9,117
Payments								
Suppliers and employees	(469,496)	(485,867)	(589,976)	(605,313)	(605,313)	(639,678)	(693,532)	(709,287)
Finance charges	(11,838)	(12,019)	(12,225)	(12,787)	(12,787)	(10,987)	(11,481)	(11,940)
Transfers and Grants	(521)	(929)	(1,646)	(1,409)	(1,409)	(1,534)	(1,603)	(1,667)
NET CASH FROM/(USED) OPERATING ACTIVITIES	80,550	86,721	114,497	101,926	101,926	140,362	89,935	114,768
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	8,351	(4,255)	29,086	17,360	17,360	15,000	15,900	16,775
Decrease (increase) other non-current receivables	10	(1)	-	14	14	-	-	-
Payments								
Capital assets	(45,612)	(52,692)	(104,150)	(140,330)	(140,330)	(144,420)	(87,879)	(105,331)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(37,250)	(56,949)	(75,065)	(122,956)	(122,956)	(129,420)	(71,979)	(88,557)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Borrowing long term/refinancing	-	10,000	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(882)	601	-	1,181	1,181	-	-	-
Payments								
Repayment of borrowing	(11,118)	(7,545)	(14,000)	(10,000)	(10,000)	(10,000)	(11,000)	(11,500)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(11,999)	3,056	(14,000)	(8,819)	(8,819)	(10,000)	(11,000)	(11,500)
NET INCREASE/ (DECREASE) IN CASH HELD	31,301	32,828	25,432	(29,849)	(29,849)	941	6,956	14,711
Cash/cash equivalents at the year begin:	12,454	43,754	7,829	76,582	76,582	46,734	47,675	54,631
Cash/cash equivalents at the year end:	43,754	76,582	33,262	46,734	46,734	47,675	54,631	69,342

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular No 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was / is available. A shortfall (cash-backed commitments > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available								
Cash/cash equivalents at the year end	43,754	76,582	33,262	46,734	46,734	47,675	54,631	69,342
Other current investments > 90 days	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-
Cash and investments available:	43,754	76,582	33,262	46,734	46,734	47,675	54,631	69,342
Application of cash and investments								
Unspent conditional transfers	19,079	30,942	-	24	24	-	-	-
Statutory requirements	3,580	-	6,000	6,000	6,000	3,000	3,000	3,000
Other working capital requirements	14,449	47,327	11,961	67,230	67,230	44,158	52,111	56,756
Total Application of cash and investments:	37,108	78,269	17,961	73,255	73,255	47,158	55,111	59,756
Surplus(shortfall)	6,646	(1,687)	15,301	(26,521)	(26,521)	517	(480)	9,586

The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. For the 2019/2020 financial year the municipality will spend the entire allocation and thus no provision was made for unspent grants.
- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, as was experienced by the municipality in the past resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.
- Other provisions (i.e. employee benefits) have been provided for in the operating budget but have not been provided for in Table 43. This was done in terms of the Funding and Reserves Policy of the municipality.

- The municipality has no long term investments that consist primarily of the sinking funds for the repayment of future borrowings.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds as well as unspent conditional grants are not fully cash-backed. Government's outstanding debt, unfunded housing projects and unfunded mandates for the past three years are increasing on a year-to-year basis. The level of cash-backing is directly informed by the municipality's cash backing policy. Dawid Kruiper Municipality has requested in writing support from National Treasury regarding the unfunded mandates which can no longer be afforded and funded by our consumers. Mr. J Hattingh wrote a letter to Provincial Treasury requesting them to assist us in order to address these issues, but no assistance or correspondence was received. The municipal manager has requested that the clinic should be taken over by Provincial Treasury. This was done during October 2014. Dawid Kruiper Municipality is also performing the Fire Brigade Services and Disaster Management Services, but the grant is being paid to ZFM. The allocation received from Department Sports, Arts and Culture is insufficient to cover the expenditure of the libraries resulting in tariff increases above inflation to recover the costs. The same principle applies for Department of Housing. For the last 5 year the allocation has not increased from R 650 000 per year.

However, from a practical perspective it would not be possible to eradicate this deficit in one financial year hence the phased approach over the MTREF. Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 44 MBRR SA10 – Funding compliance measurement

Description	MFMA section	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Funding measures</u>									
Cash/cash equivalents at the year end - R'000	18(1)b	43,754	76,582	33,262	46,734	46,734	47,675	54,631	69,342
Cash + investments at the yr end less applications - R'000	18(1)b	6,646	(1,687)	15,301	(26,521)	(26,521)	517	(480)	9,586
Cash year end/monthly employee/supplier payments	18(1)b	1.2	1.7	0.7	0.9	0.9	1.0	1.0	1.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4,212	(39,894)	9,416	1,763	1,763	54,165	30,262	34,946
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	-6.0%	6.7%	11.6%	-9.9%	-6.0%	4.3%	-0.2%	-0.5%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	95.9%	83.8%	97.8%	97.2%	97.2%	99.4%	96.5%	96.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	3.3%	3.9%	2.7%	2.9%	2.9%	1.7%	1.7%	1.7%
Capital payments % of capital expenditure	18(1)c;19	100.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	64.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	0.0%	1.4%	-20.3%	4.4%	0.0%	-48.2%	-34.9%	-23.1%
Long term receivables % change - incr(decr)	18(1)a	0.0%	0.0%	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	0.6%	0.8%	0.9%	1.1%	1.1%	1.6%	1.3%	1.4%
Asset renewal % of capital budget	20(1)(vi)	42.9%	3.3%	21.2%	22.4%	22.4%	21.4%	1.7%	1.2%

2.6.5.2 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is positive, for any year of the medium term budget, The forecasted cash and cash equivalents for the 2019/2020 MTREF shows R 47.7 million, R 54.6 million and R 69.3 million for each respective financial year.

2.6.5.3 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves / surpluses are contained in Table 25, on page 49. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.4 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. As part of the 2019/2020 MTREF the municipalities improving cash position causes the ratio to move upwards to 1.0 and then stabilize on 1.2 by 2021/2022. As indicated above the municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.5 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources

consumed each year. An 'adjusted' surplus / deficit are achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. Dawid Kruiper Municipality did not use the depreciation method, but the revaluation method with the higher Depreciated Replacement Cost values. Therefore the "offsetting" amount cannot be deducted in terms of GRAP 17 and a surplus will not be reflected in this statement. Dawid Kruiper Municipality has reported this issue several times with both the Auditor General and National Treasury. We are still awaiting response.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.6 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etcetera.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 5.3% to 5.5%). The result is intended to be an approximation of the real increase in revenue. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 5.5%, with the increase in electricity at 13.07% on average it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.5.7 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 95% for each of the respective financial years. Given that the assumed collection rate was based on a 95% performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will have to be amended accordingly.

2.6.5.8 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 1.7% over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice. R 8.1 million was budgeted for the write off of bad debt and an additional R 10.0 million for the provision of bad debt.

2.6.5.9 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 0% timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict

compliance with the legislative requirement that debtors be paid within 30 days and have not defaulted over the last five years.

2.6.5.10 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. Further details relating to the borrowing strategy of the municipality can be found on page 92.

2.6.5.11 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100% could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

2.6.5.12 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show an increase settling debtor's accounts not being settled within 30 days.

2.6.5.13 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and / or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 59 MBRR SA34c on page 121.

2.6.5.14 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal / rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 58 MBRR SA34b on page 119.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand							
EXPENDITURE:							
<u>Operating expenditure of Transfers and Grants</u>							
National Government:	82,172	89,794	91,748	91,748	97,489	102,195	110,568
Local Government Equitable Share	70,769	77,934	77,934	77,934	84,895	91,837	99,543
Finance Management	3,985	4,115	4,031	4,031	3,000	3,000	3,000
Energy Efficiency and Demand Management	407	391	635	635	522	522	652
Municipal Infrastructure Grant	2,716	4,224	3,869	3,869	5,520	4,520	4,820
Integrated National Electrification Programme	1,159	1,826	2,883	2,883	2,243	751	793
EPWP	135	-	-	-	187	-	-
Water Service Infrastructure Grant	328	1,304	1,799	1,799	1,122	1,239	1,304
Neighbourhood Development Partnership Grant	-	-	-	-	-	326	457
Municipal Demarcation Grant	2,674	-	597	597	-	-	-
Provincial Government:	4,560	885	5,151	5,151	4,044	3,851	3,840
Sport and Recreation	3,889	-	2,435	2,435	3,172	3,172	3,130
Provincial Government:	-	-	200	200	-	-	-
DEDAT	-	-	-	-	222	-	-
Housing	650	650	650	650	650	679	710
COGHSTA	21	235	1,866	1,866	-	-	-
Other grant providers:	49	-	-	-	-	-	-
<i>Uppington Summer Festival</i>	49	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	86,781	90,679	96,898	96,898	101,533	106,046	114,408
<u>Capital expenditure of Transfers and Grants</u>							
National Government:	33,893	43,907	61,741	61,741	55,733	40,705	44,599
Municipal Infrastructure Grant (MIG)	10,101	20,428	22,586	22,586	28,570	21,783	23,227
Expanded Public Works Programme	1,115	-	-	-	1,250	-	-
Integrated National Electrification Grant	7,739	12,174	19,219	19,219	14,957	5,009	5,284
Energy Efficiency and Demand Side Management Grant	2,722	2,609	4,236	4,236	3,478	3,478	4,348
Neighbourhood Development Partnership Grant	-	-	-	-	-	2,174	3,043
Water Service Infrastructure Grant	2,883	8,696	11,991	11,991	7,478	8,261	8,696
Municipal Demarcation Grant	9,274	-	3,626	3,626	-	-	-
Financial Management Grant	60	-	84	84	-	-	-
Provincial Government:	299	1,783	5,861	5,861	1,478	-	-
COGHSTA	140	1,565	1,565	1,565	-	-	-
DEDAT	-	-	-	-	1,478	-	-
Provincial Government:	-	-	3,800	3,800	-	-	-
Sport and Recreation	159	217	495	495	-	-	-
Other grant providers:	-	-	50	50	-	-	-
<i>Directo Signs</i>	-	-	50	50	-	-	-
Total capital expenditure of Transfers and Grants	34,192	45,689	67,652	67,652	57,211	40,705	44,599
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	120,973	136,368	164,550	164,550	158,744	146,751	159,007

Table 46 MBRR SA20 - Reconciliation between of transfers, grant receipts and unspent funds

Description R thousand	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Operating transfers and grants:							
National Government:							
Balance unspent at beginning of the year	-	-	2,683	2,683	-	-	-
Current year receipts	82,172	89,794	89,065	89,065	97,489	102,195	110,568
Conditions met - transferred to revenue	82,172	89,794	91,748	91,748	97,489	102,195	110,568
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
Provincial Government:							
Balance unspent at beginning of the year	1,039	-	1,831	1,831	-	-	-
Current year receipts	3,521	3,597	3,320	3,320	4,044	3,851	3,840
Conditions met - transferred to revenue	4,560	3,597	5,151	5,151	4,044	3,851	3,840
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
Other grant providers:							
Balance unspent at beginning of the year	58	-	24	24	-	-	-
Current year receipts	10	-	-	-	-	-	-
Conditions met - transferred to revenue	49	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	19	-	24	24	-	-	-
Total operating transfers and grants revenue	86,781	93,392	96,898	96,898	101,533	106,046	114,408
Total operating transfers and grants - CTBM	19	-	24	24	-	-	-
Capital transfers and grants:							
National Government:							
Balance unspent at beginning of the year	12,160	-	22,055	22,055	-	-	-
Current year receipts	46,975	43,907	39,686	39,686	55,733	40,705	44,599
Conditions met - transferred to revenue	33,893	43,907	61,741	61,741	55,733	40,705	44,599
Conditions still to be met - transferred to liabilities	25,242	-	-	-	-	-	-
Provincial Government:							
Balance unspent at beginning of the year	5,771	-	3,800	3,800	-	-	-
Current year receipts	159	1,783	2,060	2,060	1,478	-	-
Conditions met - transferred to revenue	299	1,783	5,861	5,861	1,478	-	-
Conditions still to be met - transferred to liabilities	5,631	-	-	-	-	-	-
Other grant providers:							
Balance unspent at beginning of the year	50	-	-	-	-	-	-
Current year receipts	-	-	50	50	-	-	-
Conditions met - transferred to revenue	-	-	50	50	-	-	-
Conditions still to be met - transferred to liabilities	50	-	-	-	-	-	-
Total capital transfers and grants revenue	34,192	45,689	67,652	67,652	57,211	40,705	44,599
Total capital transfers and grants - CTBM	30,923	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	120,973	139,081	164,550	164,550	158,744	146,751	159,007
TOTAL TRANSFERS AND GRANTS - CTBM	30,942	-	24	24	-	-	-

2.8 Councillors and employee benefits

Table 47 MBRR SA22 - Summary of councillors and staff benefits

Summary of Employee and Councillor remuneration	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Councillors (Political Office Bearers plus Other)</u>						
Salary	9,489	9,489	9,489	9,809	10,446	11,125
Pension Contributions	624	624	624	768	818	871
Medical Aid Contributions	72	72	72	66	71	75
Travel, Accommodation and Other Allowances	46	46	46	47	50	53
Cell phone allowance	1,341	1,341	1,341	1,347	1,435	1,528
Housing benefits and allowances	-	-	-	-	-	-
Other benefits or allowances	-	-	-	-	-	-
Sub Total - Councillors	11,571	11,571	11,571	12,037	12,819	13,653
% increase				4.0%	6.5%	6.5%
<u>Senior Managers of the Municipality</u>						
Basic Salaries and Wages	7,381	5,715	5,715	7,879	8,391	8,936
Pension and UIF Contributions	215	409	409	726	773	823
Medical Aid Contributions	161	97	97	143	152	162
Performance Bonus	1,082	862	862	1,035	1,103	1,174
Motor Vehicle Allowance	1,226	1,021	1,021	1,182	1,259	1,341
Other benefits and allowances	2	10	10	10	11	12
Sub Total - Senior Managers of Municipality	10,067	8,114	8,114	10,975	11,689	12,449
% increase				35.3%	6.5%	6.5%
<u>Other Municipal Staff</u>						
Basic Salaries and Wages	208,100	206,815	206,815	195,481	217,539	234,910
Pension and UIF Contributions	34,757	36,131	36,131	38,478	40,979	43,642
Medical Aid Contributions	15,040	14,088	14,088	15,004	15,979	17,018
Overtime	19,685	17,304	17,304	18,428	19,626	20,901
Performance Bonus	-	-	-	-	-	-
Motor Vehicle Allowance	3,542	4,403	4,403	5,718	6,090	6,485
Cellphone Allowance	89	87	87	93	99	105
Housing Allowances	850	1,830	1,830	1,949	2,076	2,211
Other benefits and allowances	8,822	10,987	10,987	11,698	12,458	13,268
Payments in lieu of leave	2,000	-	-	-	-	-
Long service awards	42	-	-	-	-	-
Post-retirement benefit obligations	22,500	24,550	24,550	14,552	15,207	15,815
Sub Total - Other Municipal Staff	315,427	316,194	316,194	301,401	330,052	354,356
% increase				-4.7%	9.5%	7.4%
Total Parent Municipality	337,065	335,880	335,880	324,413	354,560	380,457
TOTAL SALARY, ALLOWANCES & BENEFITS	337,065	335,880	335,880	324,413	354,560	380,457
% increase				-3.4%	9.3%	7.3%
TOTAL MANAGERS AND STAFF	325,494	324,309	324,309	312,376	341,741	366,805

**Table 48 MBRR SA23 - Salaries, allowances and benefits
(Political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits / R per annum	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors						
Speaker	732,267	-	43,452	-	-	775,719
Executive Mayor	778,515	136,821	43,452	-	-	958,788
Executive Committee	2,088,934	162,391	307,260	-	-	2,558,585
Total for all other councillors	6,208,950	535,520	999,396	-	-	7,743,866
Total Councillors	9,808,666	834,732	1,393,560	-	-	12,036,958
Senior Managers of the Municipality						
Municipal Manager (MM)	1,337,307	-	256,878	194,595	-	1,788,780
Chief Finance Officer	1,056,517	208,134	214,193	168,369	-	1,647,213
Director: Corporate Services	1,038,407	228,041	212,148	168,369	-	1,646,965
Director: Development Services	1,263,443	-	215,394	168,369	-	1,647,206
Director: Electro MechServices	1,174,704	51,785	76,680	148,369	-	1,451,538
Director: Civil Engineering Services	1,226,488	-	76,680	30,911	-	1,334,079
Director: Development And Planning Services	781,901	390,950	130,317	156,380	-	1,459,548
Total Senior Managers of the Municipality	-	878,910	1,182,290	1,035,362	-	10,975,329
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	17,687,433	1,713,642	2,575,850	1,035,362	-	23,012,287

Table 49 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2017/18			Current Year 2018/19			Budget Year 2019/20		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Council Members)	27	–	27	27	–	27	27	–	27
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	7	6	1	7	4	1	7	6	1
Other Managers	17	17	–	17	17	–	19	19	–
Professionals	16	16	–	16	16	–	16	16	–
<i>Finance</i>	14	14	–	14	14	–	14	14	–
<i>Spatial/town planning</i>	2	2	–	2	2	–	2	2	–
<i>Information Technology</i>	–	–	–	–	–	–	–	–	–
<i>Roads</i>	–	–	–	–	–	–	–	–	–
<i>Electricity</i>	–	–	–	–	–	–	–	–	–
<i>Water</i>	–	–	–	–	–	–	–	–	–
<i>Sanitation</i>	–	–	–	–	–	–	–	–	–
<i>Refuse</i>	–	–	–	–	–	–	–	–	–
<i>Other</i>	–	–	–	–	–	–	–	–	–
Technicians	92	92	–	92	92	–	92	92	–
<i>Finance</i>	–	–	–	–	–	–	–	–	–
<i>Spatial/town planning</i>	4	4	–	4	4	–	4	4	–
<i>Information Technology</i>	7	7	–	7	7	–	7	7	–
<i>Roads</i>	11	11	–	11	11	–	11	11	–
<i>Electricity</i>	11	11	–	11	11	–	11	11	–
<i>Water</i>	10	10	–	10	10	–	10	10	–
<i>Sanitation</i>	3	3	–	3	3	–	3	3	–
<i>Refuse</i>	3	3	–	3	3	–	3	3	–
<i>Other</i>	43	43	–	43	43	–	43	43	–
Clerks (Clerical and administrative)	170	170	–	170	170	–	170	170	–
Service and sales workers	120	120	–	120	120	–	120	120	–
Skilled agricultural and fishery workers	4	4	–	4	4	–	4	4	–
Craft and related trades	3	3	–	3	3	–	3	3	–
Plant and Machine Operators	52	52	–	52	52	–	52	52	–
Elementary Occupations	459	459	–	459	459	–	459	459	–
TOTAL PERSONNEL NUMBERS	971	939	32	971	937	32	973	941	32

2.9 Monthly targets for revenue, expenditure and cash flow

Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure

Description / R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source															
Property rates	28,470	7,117	7,117	7,117	7,117	7,117	7,117	7,117	7,117	7,117	7,117	7,117	106,762	112,107	118,273
Service charges - electricity revenue	44,238	44,161	22,183	22,144	22,132	22,106	22,157	22,208	22,119	22,144	22,170	44,977	332,740	352,704	372,103
Service charges - water revenue	3,051	6,396	4,112	1,660	6,107	60	6,681	3,473	2,802	1,330	4,858	25,528	66,057	70,066	73,967
Service charges - sanitation revenue	3,161	3,296	3,249	3,291	3,274	3,298	3,321	3,278	3,257	3,267	3,240	3,569	39,500	41,870	44,173
Service charges - refuse revenue	2,892	2,914	2,870	2,923	2,874	2,870	2,910	2,927	2,888	2,914	2,901	2,980	34,863	36,954	38,987
Rental of facilities and equipment	291	307	492	341	774	463	609	481	445	403	467	1,768	6,842	7,252	7,651
Interest earned - external investments	208	257	126	390	308	395	139	473	518	163	266	1,223	4,465	4,733	4,994
Interest earned - outstanding debtors	92	92	92	369	277	123	430	92	61	215	154	1,690	3,687	3,908	4,123
Fines, penalties and forfeits	537	441	672	643	585	530	22	433	583	311	297	934	5,988	6,347	6,696
Licences and permits	71	31	63	103	106	82	91	79	58	23	52	358	1,118	1,185	1,251
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	36,196	347	920	773	31,764	506	513	772	23,148	1,196	1,060	4,337	101,533	106,046	114,408
Other revenue	450	626	660	1,079	729	703	907	582	1,080	496	651	23,654	31,617	31,826	30,417
Gains on disposal of PPE	125	1,125	750	375	500	1,750	750	1,875	1,250	1,375	1,375	3,750	15,000	15,900	16,775
Total Revenue (excluding capital transfers and contributions)	119,782	67,110	43,306	41,207	76,548	40,004	45,646	43,790	65,328	40,956	44,607	121,885	750,171	790,901	833,817
Expenditure By Type															
Employee related costs	24,623	24,623	24,623	24,623	48,988	24,623	24,623	24,623	24,623	24,623	24,623	17,158	312,376	341,741	366,805
Remuneration of councillors	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	12,037	12,819	13,653
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000	10,450	10,868
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-	-	95,594	95,594	99,895	103,891
Finance charges	315	360	756	683	460	776	367	1,012	729	469	939	4,119	10,987	11,481	11,940
Bulk purchases	25,849	25,932	13,217	13,117	12,966	13,256	13,100	13,100	13,156	13,156	13,078	18,818	188,746	207,951	216,269
Contracted services	2,018	2,175	4,446	1,806	2,376	2,100	1,787	1,737	2,653	1,911	1,437	10,835	35,282	27,724	27,201
Transfers and subsidies	78	58	63	79	67	83	67	96	398	74	79	391	1,534	1,603	1,667
Other expenditure	2,097	1,886	4,549	3,603	4,321	4,907	4,070	1,590	4,800	4,057	3,676	16,910	56,466	56,124	58,357
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	58,106	58,730	50,791	46,659	71,170	50,053	45,994	44,696	50,358	46,639	46,494	183,528	753,217	801,343	843,469
Surplus/(Deficit)	61,677	8,380	(7,485)	(5,451)	5,377	(10,049)	(348)	(906)	14,970	(5,683)	(1,886)	(61,643)	(3,046)	(10,442)	(9,652)
Transfers recognised - capital	2,095	2,698	3,771	2,054	5,656	3,393	1,621	3,051	4,185	1,867	4,547	22,272	57,211	40,705	44,599
Surplus/(Deficit) after capital transfers & contributions	63,771	11,079	(3,713)	(3,397)	11,033	(6,656)	1,273	2,145	19,155	(3,816)	2,661	(39,371)	54,165	30,262	34,946
Surplus/(Deficit)	63,771	11,079	(3,713)	(3,397)	11,033	(6,656)	1,273	2,145	19,155	(3,816)	2,661	(39,371)	54,165	30,262	34,946

Table 51 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description / R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote															
Vote 1 - Municipal Manager	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services	226	1,208	913	700	970	1,934	1,054	2,326	1,751	1,596	1,582	25,452	39,710	40,408	39,473
Vote 3 - Budget & Treasury Office	63,947	7,494	7,352	7,920	38,492	7,668	7,714	7,707	29,694	7,527	7,574	10,249	203,339	216,147	230,526
Vote 4 - Community Services	4,036	3,700	4,212	4,403	4,077	3,863	3,432	4,034	4,206	3,697	3,907	5,650	49,219	51,980	54,620
Vote 5 - Technical Director	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Electro Mechanical Services	45,282	46,580	23,653	23,417	24,354	24,274	22,544	24,048	24,211	22,674	23,663	49,299	354,000	362,527	383,247
Vote 7 - Civil Engineering Services	6,374	10,005	7,951	5,621	9,560	3,987	10,525	7,750	8,674	5,230	8,303	33,498	117,479	124,132	131,847
Vote 8 - Planning and Development Services	2,013	821	2,997	1,201	4,750	1,671	1,998	976	976	2,099	4,124	20,008	43,635	36,411	38,704
Total Revenue by Vote	121,877	69,809	47,078	43,262	82,204	43,398	47,267	46,841	69,513	42,823	49,154	144,156	807,382	831,606	878,415
Expenditure by Vote to be appropriated															
Vote 1 - Municipal Manager	2,800	2,824	2,920	2,824	4,423	3,106	2,826	2,839	3,171	2,830	2,870	(4,591)	28,842	38,744	44,083
Vote 2 - Corporate Services	3,084	3,228	2,983	3,318	5,838	3,251	2,983	3,066	3,405	3,054	3,159	11,727	49,096	51,934	54,866
Vote 3 - Budget & Treasury Office	4,368	4,568	5,143	5,467	9,378	4,156	5,773	4,125	4,647	4,603	4,315	26,804	83,347	84,855	87,596
Vote 4 - Community Services	9,385	9,491	10,045	9,534	17,634	10,525	9,721	9,880	9,967	9,635	9,453	39,272	154,543	163,245	172,498
Vote 5 - Technical Director	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Electro Mechanical Services	27,941	27,273	16,385	14,914	15,626	17,892	14,426	13,255	17,809	15,299	15,923	42,739	239,482	261,015	272,073
Vote 7 - Civil Engineering Services	8,043	8,785	10,735	8,156	13,487	8,585	7,729	9,041	8,739	8,749	8,225	62,775	163,048	164,967	173,533
Vote 8 - Planning and Development Services	2,485	2,560	2,580	2,446	4,784	2,539	2,534	2,490	2,619	2,468	2,548	4,802	34,859	36,584	38,820
Total Expenditure by Vote	58,106	58,730	50,791	46,659	71,170	50,053	45,994	44,696	50,358	46,639	46,494	183,528	753,217	801,343	843,469
Surplus/(Deficit) before assoc.	63,771	11,079	(3,713)	(3,397)	11,033	(6,656)	1,273	2,145	19,155	(3,816)	2,661	(39,371)	54,165	30,262	34,946
Surplus/(Deficit)	63,771	11,079	(3,713)	(3,397)	11,033	(6,656)	1,273	2,145	19,155	(3,816)	2,661	(39,371)	54,165	30,262	34,946

Table 52 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description / R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Standard															
<i>Governance and administration</i>	64,173	8,703	8,265	8,620	39,461	9,602	8,767	10,033	31,445	9,123	9,156	35,701	243,049	256,556	269,998
<i>Finance and administration</i>	64,173	8,703	8,265	8,620	39,461	9,602	8,767	10,033	31,445	9,123	9,156	35,701	243,049	256,556	269,998
<i>Community and public safety</i>	1,468	1,131	1,759	1,636	1,641	1,370	942	1,276	1,415	1,092	1,340	3,346	18,414	19,316	20,153
<i>Community and social services</i>	373	56	299	414	326	140	191	370	263	296	403	338	3,467	3,484	3,460
<i>Sport and recreation</i>	406	353	532	180	521	432	504	211	144	377	424	457	4,543	4,815	5,080
<i>Public safety</i>	689	652	928	960	778	765	220	613	943	397	507	2,302	9,755	10,338	10,904
<i>Housing</i>	-	70	-	81	16	33	27	81	65	22	5	249	650	679	710
<i>Economic and environmental services</i>	1,706	492	2,597	1,056	4,327	1,304	1,581	815	892	1,795	3,813	19,384	39,762	32,315	34,390
<i>Planning and development</i>	1,689	476	2,580	1,046	4,313	1,295	1,578	807	880	1,790	3,791	19,333	39,577	32,119	34,183
<i>Road transport</i>	17	15	17	10	15	9	3	8	12	5	22	51	185	196	207
<i>Trading services</i>	54,530	59,483	34,457	31,950	36,774	31,122	35,976	34,718	35,761	30,813	34,845	85,726	506,157	523,418	553,874
<i>Energy sources</i>	45,282	46,580	23,653	23,417	24,354	24,274	22,544	24,048	24,211	22,674	23,663	49,299	354,000	362,527	383,247
<i>Water management</i>	3,195	6,694	4,685	2,320	6,272	680	7,202	4,465	5,406	1,958	5,041	29,878	77,794	82,066	87,467
<i>Waste water management</i>	3,161	3,296	3,291	3,274	3,298	3,298	3,321	3,278	3,257	3,240	3,240	3,569	39,500	41,870	44,173
<i>Waste management</i>	2,892	2,914	2,870	2,923	2,874	2,870	2,910	2,927	2,888	2,914	2,901	2,980	34,863	36,954	38,987
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	121,877	69,809	47,078	43,262	82,204	43,398	47,267	46,841	69,513	42,823	49,154	144,156	807,382	831,606	878,415
Expenditure - Standard															
<i>Governance and administration</i>	13,250	13,189	15,500	13,778	24,953	15,821	14,398	10,849	16,350	14,064	14,402	41,232	207,787	224,816	238,970
<i>Executive and council</i>	3,072	3,079	3,136	3,079	4,950	3,386	3,105	3,092	3,448	3,111	3,129	(3,497)	33,090	43,185	48,817
<i>Finance and administration</i>	9,907	9,823	12,074	10,415	19,455	12,165	11,026	7,471	12,634	10,687	10,989	44,391	171,036	177,738	186,012
<i>Internal audit</i>	271	287	290	284	548	270	267	286	268	266	285	339	3,661	3,894	4,140
<i>Community and public safety</i>	7,082	7,172	7,230	7,139	13,468	6,951	7,077	7,115	7,211	7,022	7,070	14,546	99,083	104,749	110,946
<i>Community and social services</i>	1,163	1,159	1,156	1,219	2,185	1,170	1,147	1,141	1,116	1,134	1,144	2,343	16,079	16,987	18,021
<i>Sport and recreation</i>	2,547	2,501	2,743	2,519	4,886	2,625	2,751	2,545	2,709	2,636	2,512	7,966	38,940	41,272	43,695
<i>Public safety</i>	2,923	3,080	2,900	2,968	5,548	2,719	2,738	2,979	2,930	2,814	2,979	3,698	38,277	40,341	42,699
<i>Housing</i>	448	431	431	432	849	437	441	450	456	438	435	539	5,787	6,148	6,532
<i>Economic and environmental services</i>	2,224	2,833	3,092	2,757	4,275	3,111	2,541	2,558	2,830	2,861	2,940	29,875	61,897	65,072	68,336
<i>Planning and development</i>	1,065	1,185	1,150	1,081	2,127	1,142	1,141	1,051	1,159	1,062	1,153	1,969	15,285	16,119	17,101
<i>Road transport</i>	1,159	1,647	1,942	1,676	2,148	1,969	1,400	1,507	1,672	1,799	1,787	27,906	46,612	48,953	51,235
<i>Trading services</i>	35,336	35,319	24,752	22,764	28,063	23,944	21,755	23,944	23,741	22,469	21,868	97,491	381,448	403,749	422,076
<i>Energy sources</i>	27,612	27,421	14,491	15,345	15,342	15,283	14,226	14,977	15,230	14,414	14,591	39,461	228,393	249,192	259,465
<i>Water management</i>	3,672	3,851	5,444	3,179	5,422	3,174	3,189	4,000	3,725	3,768	3,286	24,249	66,959	63,716	66,978
<i>Waste water management</i>	2,286	2,293	2,420	2,336	4,155	2,525	2,200	2,627	2,421	2,240	2,197	9,354	37,055	39,200	41,403
<i>Waste management</i>	1,766	1,755	2,397	1,904	3,145	2,962	2,141	2,340	2,266	2,047	1,793	24,426	49,041	51,641	54,230
<i>Other</i>	214	218	217	230	410	226	223	230	236	221	213	384	3,002	2,958	3,142
Total Expenditure - Standard	58,106	58,730	50,791	46,659	71,170	50,053	45,994	44,696	50,358	46,639	46,494	183,528	753,217	801,343	843,469
Surplus/(Deficit) before assoc.	63,771	11,079	(3,713)	(3,397)	11,033	(6,656)	1,273	2,145	19,155	(3,816)	2,661	(39,371)	54,165	30,262	34,946
Surplus/(Deficit)	63,771	11,079	(3,713)	(3,397)	11,033	(6,656)	1,273	2,145	19,155	(3,816)	2,661	(39,371)	54,165	30,262	34,946

Table 53 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description / R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Multi-year expenditure to be appropriated															
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	-	500	-	500	500	-	-	-	-	-	-	-	1,500	-	-
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mechanical Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Civil Engineering Services	-	-	-	-	-	-	-	2,500	3,269	-	-	-	5,769	-	-
Services	1,638	1,898	2,231	1,522	2,041	1,303	949	2,131	1,936	2,108	1,494	9,301	28,553	21,783	23,227
Capital multi-year expenditure sub-total	1,638	2,398	2,231	2,022	2,541	1,303	949	4,631	5,205	2,108	1,494	9,301	35,821	21,783	23,227
Single-year expenditure to be appropriated															
Vote 1 - Municipal Manager	4	10	-	3	2	-	-	7	-	-	-	-	25	-	-
Vote 2 - Corporate Services	-	45	350	530	-	300	250	-	-	-	-	-	1,475	600	350
Vote 3 - Budget & Treasury Office	85	1,884	1,997	1,237	632	41	98	114	42	60	30	369	6,591	-	-
Vote 4 - Community Services	363	492	698	731	685	173	204	210	295	257	441	893	5,443	840	882
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mechanical Services	117	177	9,652	7,652	9,480	1,565	6,915	9,528	4,914	99	825	455	51,377	28,161	33,808
Vote 7 - Civil Engineering Services	121	2,370	4,427	10,250	4,126	3,478	1,472	3,083	4,355	2,057	2,142	5,353	43,233	36,495	47,064
Vote 8 - Planning and Development Services	9	17	7	167	257	-	-	-	-	-	-	-	456	-	-
Capital single-year expenditure sub-total	699	4,994	17,130	20,570	15,182	5,557	8,940	12,942	9,606	2,472	3,437	7,071	108,599	66,096	82,104
Total Capital Expenditure	2,338	7,392	19,361	22,592	17,723	6,860	9,888	17,573	14,811	4,581	4,932	16,371	144,420	87,879	105,331

Table 54 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description / R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Standard															
<i>Governance and administration</i>	89	2,598	9,818	2,873	5,254	341	98	121	1,672	60	30	369	23,324	13,438	18,110
Executive and council	-	7	-	3	2	-	-	-	-	-	-	-	11	-	-
Finance and administration	89	2,591	9,818	2,871	5,252	341	98	114	1,672	60	30	369	23,307	13,438	18,110
Internal audit	-	-	-	-	-	-	-	7	-	-	-	-	7	-	-
Community and public safety	293	383	344	254	392	126	391	142	200	181	344	602	3,650	1,090	882
Community and social services	207	43	275	140	14	20	266	65	90	45	302	325	1,790	250	-
Sport and recreation	70	171	58	73	351	90	117	47	88	111	33	185	1,397	-	-
Public safety	16	169	11	41	28	16	8	29	22	25	8	92	463	840	882
Economic and environmental services	1,657	2,158	2,272	1,710	2,314	1,309	1,951	2,329	2,478	2,231	2,518	9,457	32,386	30,533	33,827
Planning and development	1,647	1,908	2,238	1,689	2,041	1,303	949	2,131	1,936	2,108	1,494	9,301	28,746	21,783	23,227
Road transport	10	250	35	21	273	6	1,002	198	542	123	1,024	156	3,640	8,750	10,600
Trading services	299	2,253	6,927	17,755	9,763	5,083	7,449	14,981	10,461	2,108	2,039	5,944	85,061	42,818	52,512
Energy sources	117	81	2,456	7,428	5,860	1,565	6,915	9,528	3,284	99	825	455	38,611	15,073	16,048
Water management	92	2,096	1,886	1,352	3,313	2,832	355	2,856	3,757	1,911	1,105	5,152	26,707	12,384	24,568
Waste water management	19	24	2,506	8,877	540	640	115	2,529	3,325	23	13	45	18,655	15,361	11,896
Total Capital Expenditure - Standard	2,338	7,392	19,361	22,592	17,723	6,860	9,888	17,573	14,811	4,581	4,932	16,371	144,420	87,879	105,331

Table 55 MBRR SA30 - Budgeted monthly cash flow

Description / R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source															
Property rates	8,890	12,538	7,538	22,538	7,538	7,538	7,538	7,538	7,538	7,538	7,538	7,538	111,806	112,331	116,778
Service charges - electricity revenue	44,910	44,834	22,855	22,817	22,804	22,779	22,830	22,881	22,792	22,817	22,843	45,649	340,811	353,062	369,711
Service charges - water revenue	3,303	6,648	4,364	1,912	6,360	312	6,933	3,725	3,055	1,583	5,110	25,780	69,084	70,200	73,070
Service charges - sanitation revenue	3,329	3,464	3,418	3,459	3,442	3,466	3,489	3,446	3,425	3,435	3,408	3,737	41,518	41,960	43,575
Service charges - refuse revenue	3,060	3,082	3,038	3,091	3,043	3,038	3,078	3,095	3,056	3,082	3,069	3,148	36,880	37,044	38,389
Rental of facilities and equipment	291	307	492	341	774	463	609	481	445	403	467	1,768	6,842	7,252	7,651
Interest earned - external investments	208	257	126	390	308	395	139	473	518	163	266	1,223	4,465	4,733	4,994
Interest earned - outstanding debtors	92	92	92	369	277	123	430	92	61	215	154	1,690	3,687	3,908	4,123
Fines, penalties and forfeits	537	441	672	643	585	530	22	433	583	311	297	934	5,988	6,347	6,696
Licences and permits	71	31	63	103	106	82	91	79	58	23	52	358	1,118	1,185	1,251
Transfer receipts - operational	36,196	347	920	773	31,764	506	513	772	23,148	1,196	1,060	4,337	101,533	106,046	114,408
Other revenue	450	626	(340)	79	729	703	907	(418)	80	496	(349)	8,654	11,617	11,776	12,417
Cash Receipts by Source	101,339	72,667	43,238	56,514	77,729	39,936	46,577	42,597	64,759	41,263	43,914	104,816	735,349	755,846	793,063
Other Cash Flows by Source															
Transfer receipts - capital	2,095	2,698	3,771	2,054	5,656	3,393	1,621	3,051	4,185	1,867	4,547	22,272	57,211	40,705	44,599
Proceeds on disposal of PPE	125	1,125	750	375	500	1,750	750	1,875	1,250	1,375	1,375	3,750	15,000	15,900	16,775
Total Cash Receipts by Source	103,559	76,490	47,759	58,943	83,885	45,079	48,948	47,523	70,194	44,505	49,836	130,838	807,560	812,451	854,437
Cash Payments by Type															
Employee related costs	24,623	24,623	24,623	24,623	48,988	24,623	24,623	24,623	24,623	24,623	24,623	25,606	320,824	346,534	368,990
Remuneration of councillors	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	12,037	12,819	13,653
Finance charges	315	360	756	683	460	776	367	1,012	729	469	939	4,119	10,987	11,481	11,940
Bulk purchases - Electricity	25,542	25,542	12,771	12,771	12,771	12,771	12,771	12,771	12,771	12,771	12,771	18,542	184,566	203,060	211,183
Bulk purchases - Water & Sewer	307	390	446	346	195	485	329	329	385	385	307	276	4,180	4,891	5,086
Other materials	2,121	2,693	2,134	1,744	989	3,305	976	1,535	2,996	1,345	1,658	8,699	30,196	31,555	32,818
Contracted services	2,018	2,175	4,446	1,806	2,376	2,100	1,787	1,737	2,653	1,911	1,437	10,835	35,282	27,724	27,201
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	78	58	63	79	67	83	67	96	398	74	79	391	1,534	1,603	1,667
Other expenditure	1,774	1,563	4,226	3,281	3,998	4,584	3,747	1,267	4,477	3,734	3,354	16,587	52,592	66,949	50,357
Cash Payments by Type	57,783	58,408	50,468	46,336	70,848	49,731	45,671	44,373	50,035	46,316	46,171	86,059	652,198	706,616	722,895
Other Cash Flows/Payments by Type															
Capital assets	2,338	7,392	19,361	22,592	17,723	6,860	9,888	17,573	14,811	4,581	4,932	16,371	144,420	87,879	105,331
Repayment of borrowing	333	333	333	333	333	3,333	333	333	333	333	333	3,333	10,000	11,000	11,500
Total Cash Payments by Type	60,454	66,133	70,163	69,261	88,904	59,924	55,892	62,280	65,179	51,230	51,436	105,764	806,619	805,495	839,726
NET INCREASE/(DECREASE) IN CASH HELD	43,105	10,358	(22,404)	(10,317)	(5,018)	(14,844)	(6,944)	(14,757)	5,015	(6,725)	(1,600)	25,074	941	6,956	14,711
Cash/cash equivalents at the month/year begin:	46,734	89,838	100,196	77,792	67,475	62,457	47,612	40,668	25,911	30,926	24,201	22,601	46,734	47,675	54,631
Cash/cash equivalents at the month/year end:	89,838	100,196	77,792	67,475	62,457	47,612	40,668	25,911	30,926	24,201	22,601	47,675	47,675	54,631	69,342

2.10 Annual budgets and SDBIPs – internal departments

2.10.1 Water Services Department – Vote 7

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

**Table 56 Water Services Department –
Operating revenue by source, expenditure by type and total capital expenditure**

Description / R thousand	2019/20 Medium Term Revenue & Expenditure Framework		
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Revenue By Source</u>			
Service charges - water revenue	66,057	70,066	73,967
Operational Grants - Transferred to Revenue	1,309	1,565	1,761
Other Revenue	–	–	–
Total Revenue (excluding capital transfers and contributions)	67,366	71,631	75,728
<u>Expenditure By Type</u>			
Employee related costs	26,595	28,323	30,164
Depreciation & asset impairment	16,015	16,736	17,405
Finance charges	3,196	3,340	3,473
Bulk purchases	4,680	4,891	5,086
Other Materials	4,267	4,459	4,638
Contracted services	8,132	2,750	2,860
Other expenditure	3,074	3,217	3,351
Total Expenditure	65,959	63,716	66,978
Surplus/(Deficit)	1,407	7,916	8,750
Capital Grants - Transferred to Revenue	8,728	10,435	11,739
Surplus/(Deficit) for the year	10,135	18,350	20,489

Table 57 Water Services Department – Performance objectives and indicators

Key Performance Element	Key Performance Indicator (KPI)	Annual Target	Quarter 1 - Target	Quarter 2 - Target	Quarter 3 - Target	Quarter 4 - Target
Strategic Objective: Basic Service Delivery						
Water Distribution	New meter connections - % of requests executed	100%	100%	100%	100%	100%
	Attend to leaks, bursts and queries - % of requests attended to	95%	95%	95%	95%	95%
	Prepaid Meters installed - % of requests executed	100%	100%	100%	100%	100%
	Meter replacements - % of faulty meters replaced	100%	100%	100%	100%	100%
Water Purification	Purify raw water compliant with blue drop status	95%	N/A	N/A	N/A	95%

Water services consist of 2 divisions within the sub-directorate; civil engineering services. As part of the performance objectives for the 2019/2020 financial year, the expansion of the functional water distribution unit will, in terms of the management of the pre-paid meters, require the subsequent filling of vacancies.

Significant capital projects to be undertaken over the medium term includes, amongst others:

- Construction of New Louisvale Road Sewerage Pump Station – R 7.5 million

The total needs are far greater than the available financial resources.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance of R 7.9 million, R 2.5 million and R 2.6 million in each of the respective financial years of the MTREF.

The departmental revenue base is primarily informed by the sale of water of which budget appropriation for the 2019/2020 financial year is R 67.4 million and increases to R 75.7 million by 2021/2022 and has been informed by a collection rate of 95.0% and distribution losses of over 40%. The reduction of distribution losses is considered a priority and hence the departmental objectives and targets provide for an efficiency gain per annum.

2.11 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following four tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, upgrading of assets and finally on the repair and maintenance of assets.

Table 58 MBRR SA34a - Capital expenditure on new assets by asset class

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	22,274	40,555	43,187	67,876	67,876	59,675	46,043	53,679
Roads Infrastructure	348	3,129	13,530	22,591	22,591	13,639	13,398	5,628
Road Structures	348	3,129	13,430	22,521	22,521	13,539	13,293	5,517
Road Furniture	-	-	100	70	70	100	105	110
Electrical Infrastructure	15,966	14,336	12,572	41,151	41,151	35,643	16,964	19,628
Power Plants	-	-	-	-	-	5,000	6,600	-
MV Networks	-	-	6,957	-	-	-	-	-
LV Networks	15,966	14,336	5,616	41,151	41,151	30,643	10,364	19,628
Water Supply Infrastructure	3,619	17,889	1,304	3,533	3,533	5,837	11,083	27,688
Reservoirs	-	-	-	400	400	250	-	-
Pump Stations	-	-	-	-	-	3,250	-	-
Water Treatment Works	-	-	-	-	-	250	-	-
Bulk Mains	-	-	-	868	868	-	-	-
Distribution	3,619	17,889	1,304	2,265	2,265	-	2,174	3,043
Distribution Points	-	-	-	-	-	2,087	8,909	24,645
Sanitation Infrastructure	2,341	521	15,780	201	201	3,067	4,598	735
Pump Station	-	-	8,696	-	-	-	-	-
Reticulation	-	-	-	-	-	200	250	300
Waste Water Treatment Works	2,341	521	7,084	201	201	2,867	4,348	435
Solid Waste Infrastructure	-	-	-	-	-	1,088	-	-
Landfill Sites	-	-	-	-	-	1,088	-	-
Information and Communication Infrastructure	-	4,680	-	400	400	400	-	-
Data Centres	-	-	-	400	400	400	-	-
Distribution Layers	-	4,680	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Community Assets	3,187	661	1,207	1,283	1,283	13,436	1,783	4,435
Community Facilities	-	44	517	560	560	780	-	-
Halls	-	44	-	-	-	-	-	-
Libraries	-	-	217	260	260	-	-	-
Cemeteries/Crematoria	-	-	300	300	300	720	-	-
Capital Spares	-	-	-	-	-	60	-	-
Sport and Recreation Facilities	3,187	617	690	723	723	12,656	1,783	4,435
Outdoor Facilities	3,187	617	690	723	723	12,621	1,783	4,435
Capital Spares	-	-	-	-	-	35	-	-
Investment properties	-	1,519	250	200	200	-	-	-
Non-revenue Generating	-	1,519	250	200	200	-	-	-
Unimproved Property	-	1,519	250	200	200	-	-	-
Other assets	70	439	2,715	1,563	1,563	2,865	1,020	425
Operational Buildings	70	439	2,715	1,563	1,563	2,865	1,020	425
Municipal Offices	70	439	405	1,063	1,063	100	100	-
Yards	-	-	960	-	-	810	500	-
Stores	-	-	1,350	500	500	1,605	70	75
Depots	-	-	-	-	-	350	350	350
Intangible Assets	-	2,522	25	337	337	17	-	-
Licences and Rights	-	2,522	25	337	337	17	-	-
Computer Software and Applications	-	2,522	25	337	337	17	-	-
Computer Equipment	238	2,184	130	2,389	2,389	1,205	-	-
Computer Equipment	238	2,184	130	2,389	2,389	1,205	-	-
Furniture and Office Equipment	133	321	701	741	741	966	350	350
Furniture and Office Equipment	133	321	701	741	741	966	350	350
Machinery and Equipment	118	501	2,426	321	321	862	251	262
Machinery and Equipment	118	501	2,426	321	321	862	251	262
Transport Assets	-	2,301	120	12,558	12,558	3,420	13,088	17,760
Transport Assets	-	2,301	120	12,558	12,558	3,420	13,088	17,760
Total Capital Expenditure on new assets	26,021	51,004	50,761	87,269	87,269	82,446	62,535	76,911

Table 58 MBRR SA34b - Capital expenditure on renewal assets by asset class

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>								
<u>Infrastructure</u>	16,973	1,529	8,469	28,592	28,592	16,047	725	780
Roads Infrastructure	11,910	1,081	-	-	-	-	-	-
Road Structures	11,910	1,081	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	100	250	300
Storm water Conveyance	-	-	-	-	-	100	250	300
Electrical Infrastructure	3,964	-	7,869	460	460	700	105	110
MV Networks	-	-	5,000	-	-	-	-	-
LV Networks	3,964	-	2,869	460	460	700	105	110
Water Supply Infrastructure	547	448	400	27,602	27,602	14,927	220	220
Reservoirs	547	448	-	-	-	-	-	-
Pump Stations	-	-	200	200	200	250	220	220
Water Treatment Works	-	-	-	45	45	220	-	-
Distribution	-	-	200	-	-	-	-	-
Distribution Points	-	-	-	27,357	27,357	14,457	-	-
Sanitation Infrastructure	551	-	200	230	230	320	150	150
Pump Station	-	-	200	230	230	320	150	150
Reticulation	551	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	300	300	-	-	-
Data Centres	-	-	-	300	300	-	-	-
<u>Community Assets</u>	592	-	-	-	-	305	-	-
Community Facilities	-	-	-	-	-	230	-	-
Halls	-	-	-	-	-	230	-	-
Sport and Recreation Facilities	592	-	-	-	-	75	-	-
Indoor Facilities	-	-	-	-	-	-	-	-
Outdoor Facilities	592	-	-	-	-	75	-	-
<u>Other assets</u>	-	-	-	98	98	300	500	525
Operational Buildings	-	-	-	98	98	300	500	525
Municipal Offices	-	-	-	98	98	300	500	525
<u>Intangible Assets</u>	-	-	15	15	15	-	-	-
Licences and Rights	-	-	15	15	15	-	-	-
Computer Software and Applications	-	-	15	15	15	-	-	-
Computer Equipment	162	-	466	597	597	945	-	-
Computer Equipment	162	-	466	597	597	945	-	-
Furniture and Office Equipment	164	107	32	207	207	3,876	-	-
Furniture and Office Equipment	164	107	32	207	207	3,876	-	-
Machinery and Equipment	118	52	3,664	500	500	-	-	-
Machinery and Equipment	118	52	3,664	500	500	-	-	-
<u>Transport Assets</u>	1,515	52	9,451	1,379	1,379	9,146	-	-
Transport Assets	1,515	52	9,451	1,379	1,379	9,146	-	-
Land	-	-	-	-	-	250	250	-
Land	-	-	-	-	-	250	250	-
Total Capital Expenditure on renewal of existing assets	19,525	1,740	22,097	31,387	31,387	30,869	1,475	1,305

Table 58 MBRR SA34e - Capital expenditure on upgraded assets by asset class

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class								
<u>Infrastructure</u>	-	-	31,292	21,531	21,531	28,112	23,519	27,115
Roads Infrastructure	-	-	-	9,806	9,806	3,000	8,735	10,772
Roads	-	-	-	9,806	9,806	3,000	8,000	10,000
Road Furniture	-	-	-	-	-	-	735	772
Electrical Infrastructure	-	-	8,296	7,780	7,780	6,478	3,478	4,348
LV Networks	-	-	8,296	7,780	7,780	6,478	3,478	4,348
Water Supply Infrastructure	-	-	3,000	-	-	2,865	545	550
Water Treatment Works	-	-	-	-	-	2,865	545	550
Distribution	-	-	3,000	-	-	-	-	-
Sanitation Infrastructure	-	-	19,996	3,945	3,945	15,769	10,761	11,446
Reticulation	-	-	5,967	-	-	15,769	10,761	11,446
Waste Water Treatment Works	-	-	14,030	3,945	3,945	-	-	-
<u>Community Assets</u>	-	-	-	59	59	670	-	-
Community Facilities	-	-	-	59	59	370	-	-
Halls	-	-	-	59	59	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	370	-	-
Sport and Recreation Facilities	-	-	-	-	-	300	-	-
Outdoor Facilities	-	-	-	-	-	300	-	-
<u>Other assets</u>	-	-	-	-	-	1,974	350	-
Operational Buildings	-	-	-	-	-	1,974	350	-
Municipal Offices	-	-	-	-	-	1,724	100	-
Yards	-	-	-	-	-	250	250	-
<u>Intangible Assets</u>	-	-	-	84	84	-	-	-
Licences and Rights	-	-	-	84	84	-	-	-
Computer Software and Applications	-	-	-	84	84	-	-	-
<u>Machinery and Equipment</u>	-	-	-	-	-	100	-	-
Machinery and Equipment	-	-	-	-	-	100	-	-
<u>Land</u>	-	-	-	-	-	250	-	-
Land	-	-	-	-	-	250	-	-
Total Capital Expenditure on upgrading of existing assets	-	-	31,292	21,674	21,674	31,106	23,869	27,115

Table 59 MBRR SA34c – Repairs and Maintenance on assets by asset class

Description / R thousand	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure	4,253	4,382	5,313	6,133	6,133	13,411	8,267	8,598
Roads Infrastructure	71	934	2,170	1,660	1,660	2,202	2,301	2,393
Roads	71	934	2,010	1,500	1,500	2,002	2,092	2,176
Road Structures	-	-	160	160	160	200	209	217
Electrical Infrastructure	1,246	1,719	1,578	1,353	1,353	1,769	1,849	1,923
MV Substations	-	-	23	-	-	-	-	-
LV Networks	1,246	1,719	1,555	1,353	1,353	1,769	1,849	1,923
Water Supply Infrastructure	2,427	1,344	1,000	1,698	1,698	7,894	2,501	2,601
Reservoirs	-	-	-	-	-	5,000	-	-
Water Treatment Works	-	-	-	-	-	1,644	1,195	1,243
Distribution	2,427	1,344	1,000	1,698	1,698	1,250	1,306	1,358
Sanitation Infrastructure	498	311	510	1,338	1,338	1,458	1,524	1,585
Reticulation	-	-	380	238	238	208	217	226
Waste Water Treatment Works	498	311	-	1,100	1,100	1,250	1,306	1,359
Toilet Facilities	-	-	130	-	-	-	-	-
Solid Waste Infrastructure	11	30	-	-	-	-	-	-
Landfill Sites	11	30	-	-	-	-	-	-
Information and Communication Infrastructure	-	44	55	85	85	88	92	96
Community Assets	440	464	1,588	1,493	1,493	1,772	1,852	1,926
Community Facilities	-	167	922	1,165	1,165	1,158	1,210	1,259
Sport and Recreation Facilities	440	297	666	328	328	614	641	667
Operational Buildings	912	791	1,467	1,129	1,129	1,352	1,413	1,469
Intangible Assets	-	472	490	490	490	510	533	554
Computer Equipment	-	387	153	-	-	120	125	130
Furniture and Office Equipment	-	-	537	144	144	250	261	271
Machinery and Equipment	2,666	-	140	818	818	740	773	804
Transport Assets	2,830	7,472	6,229	9,000	9,000	9,500	9,928	10,325
Total Repairs and Maintenance Expenditure	11,101	13,967	15,916	19,207	19,207	27,653	23,150	24,076

Table 60 MBRR SA34d - Supporting Table SA34d Depreciation by asset class

Depreciation by Asset Class/Sub-class								
Infrastructure	61,733	84,846	76,995	76,995	76,995	77,089	80,558	83,780
Roads Infrastructure	9,207	23,779	20,374	20,374	20,374	23,496	24,553	25,535
Roads	9,207	23,779	20,374	20,374	20,374	23,496	24,553	25,535
Storm water Infrastructure	–	–	1,914	1,914	1,914	2	2	2
Drainage Collection	–	–	1,914	1,914	1,914	2	2	2
Electrical Infrastructure	14,110	15,085	14,110	14,110	14,110	14,110	14,745	15,335
MV Networks	–	–	5,308	5,308	5,308	–	–	–
LV Networks	14,110	15,085	8,802	8,802	8,802	14,110	14,745	15,335
Water Supply Infrastructure	15,818	17,143	15,818	15,818	15,818	15,818	16,530	17,191
Water Treatment Works	15,818	17,143	15,818	15,818	15,818	15,818	16,530	17,191
Sanitation Infrastructure	21,295	5,698	5,090	5,090	5,090	5,090	5,319	5,532
Reticulation	21,295	5,698	5,090	5,090	5,090	5,090	5,319	5,532
Solid Waste Infrastructure	16	22,704	18,573	18,573	18,573	18,573	19,408	20,185
Landfill Sites	16	22,704	18,573	18,573	18,573	18,573	19,408	20,185
Rail Infrastructure	1,286	438	1,114	114	114	–	–	–
Rail Lines	1,286	438	1,114	114	114	–	–	–
Information and Communication Infrastructure	–	–	2	1,002	1,002	–	–	–
Distribution Layers	–	–	2	1,002	1,002	–	–	–
Community Assets	3,425	3,761	4,834	4,834	4,834	4,740	4,954	5,152
Community Facilities	247	1,085	1,635	1,635	1,635	1,635	1,709	1,777
Halls	–	–	630	630	630	630	659	685
Museums	13	9	–	–	–	–	–	–
Libraries	234	156	26	26	26	26	27	28
Cemeteries/Crematoria	–	–	400	400	400	400	418	435
Public Open Space	–	919	579	579	579	579	605	629
Sport and Recreation Facilities	3,178	2,677	3,199	3,199	3,199	3,105	3,245	3,375
Outdoor Facilities	3,178	2,677	3,199	3,199	3,199	3,105	3,245	3,375
Other assets	5,495	6,174	4,180	4,180	4,180	4,183	4,372	4,547
Operational Buildings	5,495	6,174	4,180	4,180	4,180	4,183	4,372	4,547
Municipal Offices	5,495	6,174	4,180	4,180	4,180	4,183	4,372	4,547
Intangible Assets	529	359	–	–	–	–	–	–
Licences and Rights	529	359	–	–	–	–	–	–
Computer Software and Applications	529	359	–	–	–	–	–	–
Computer Equipment	818	604	1,218	3,218	3,218	819	856	890
Computer Equipment	818	604	1,218	3,218	3,218	819	856	890
Furniture and Office Equipment	1,120	1,294	3,396	1,396	1,396	2,632	2,750	2,860
Furniture and Office Equipment	1,120	1,294	3,396	1,396	1,396	2,632	2,750	2,860
Machinery and Equipment	1,144	1,339	168	168	168	954	997	1,037
Machinery and Equipment	1,144	1,339	168	168	168	954	997	1,037
Transport Assets	4,806	5,712	4,802	4,802	4,802	5,177	5,409	5,626
Transport Assets	4,806	5,712	4,802	4,802	4,802	5,177	5,409	5,626
Total Depreciation	79,069	104,090	95,594	95,594	95,594	95,594	99,895	103,891

Table 61 MBRR SA35 - Future financial implications of the capital budget

Description / R thousand	2019/20 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Present value
Capital expenditure							
Vote 1 - Municipal Manager	25	-	-				
Vote 2 - Corporate Services	1,475	600	350				
Vote 3 - Budget & Treasury Office	8,091	-	-				
Vote 4 - Community Services	5,443	840	882				
Vote 5 - Technical Director	-	-	-				
Vote 6 - Electro Mechanical Services	51,377	28,161	33,808				
Vote 7 - Civil Engineering Services	49,001	36,495	47,064				
Vote 8 - Planning and Development Services	29,009	21,783	23,227				
Total Capital Expenditure	144,420	87,879	105,331	-	-	-	-
Future operational costs by vote							
Total future operational costs	-	-	-	-	-	-	-
Future revenue by source							
Total future revenue	-	-	-	-	-	-	-
Net Financial Implications	144,420	87,879	105,331	-	-	-	-

Table 62 MBRR SA36 - Detailed capital budget per municipal vote

NC087 Dawid Kruiper - Supporting Table SA36 Detailed capital budget							
R thousand					2019/20 Medium Term Revenue & Expenditure Framework		
				Current Year	Budget Year	Budget Year	Budget Year
Function	Project Description	Asset Class	Asset Sub-Class	2018/19 Full Year Forecast	2019/20	+1 2020/21	+2 2021/22
Parent municipality:							
List all capital projects grouped by Function							
0001: ADMINISTATION	DESK (ARCHIVE)	Furniture and Equipment	Furniture and Equipment	4	–	–	–
0001: ADMINISTATION	FILLING CABINETS	Furniture and Equipment	Furniture and Equipment	–	350	350	350
0001: ADMINISTATION	HEAVY DUTY SHREDDER	Furniture and Equipment	Furniture and Equipment	–	60	–	–
0001: ADMINISTATION	OFFICE FURNITURE (REGISTRATION & COMMITTEES)	Furniture and Equipment	Furniture and Equipment	–	70	–	–
0002: MUNICIPAL COUNCIL	6005: WYK 04:VOLTOOIING VAN WYKSRAADSLID KANTOOR	Operational Buildings	Municipal Offices	161	–	–	–
0002: MUNICIPAL COUNCIL	6006: WYK 13:VOLTOOIING VAN WYKSRAADSLID KANTOOR	Operational Buildings	Municipal Offices	194	–	–	–
0002: MUNICIPAL COUNCIL	CHAIR - KEDIBONE	Furniture and Equipment	Furniture and Equipment	2	–	–	–
0002: MUNICIPAL COUNCIL	CHAIR - MAGDALENE	Furniture and Equipment	Furniture and Equipment	2	–	–	–
0004: ADMINISTRATION - PROPERTIES	PURCHASE OF ERF 702	Non-revenue Generating	Unimproved Property	200	–	–	–
0004: ADMINISTRATION - PROPERTIES	6009: STOELE VIR SALE (ROLL-OVER)	Furniture and Equipment	Furniture and Equipment	137	–	–	–
0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONERS - OFFICES	Operational Buildings	Municipal Offices	80	–	–	–
0004: ADMINISTRATION - PROPERTIES	BUILDING IMPROVEMENTS	Operational Buildings	Municipal Offices	150	–	–	–
0004: ADMINISTRATION - PROPERTIES	150 TABELS	Machinery & Equipment	Machinery & Equipment	77	–	–	–
0004: ADMINISTRATION - PROPERTIES	500 CHAIRS	Machinery & Equipment	Machinery & Equipment	–	–	–	–
0004: ADMINISTRATION - PROPERTIES	LADDER	Machinery & Equipment	Machinery & Equipment	2	–	–	–
0004: ADMINISTRATION - PROPERTIES	MOBILE SCAFFOLDING	Machinery & Equipment	Machinery & Equipment	–	25	–	–
0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONER - OFFICE 048	Operational Buildings	Municipal Offices	10	–	–	–
0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONER - LOUISVALE	Operational Buildings	Municipal Offices	11	–	–	–
0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONER - PABALELLO	Operational Buildings	Municipal Offices	10	–	–	–
0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONER - ANDRIES VAN ZYL	Operational Buildings	Municipal Offices	12	–	–	–
0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONER - OFFICE 082	Operational Buildings	Municipal Offices	12	–	–	–
0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONER - 061	Operational Buildings	Municipal Offices	12	–	–	–
0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONER - 047	Operational Buildings	Municipal Offices	8	–	–	–

Table 62 MBRR 36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONER - 002	Operational Buildings	Municipal Offices	12	-	-	-
	0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONER - DKD ASSISTANT	Operational Buildings	Municipal Offices	12	-	-	-
	0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONER - TOWN PLANNER	Operational Buildings	Municipal Offices	14	-	-	-
	0004: ADMINISTRATION - PROPERTIES	100 TAFELS	Community Facilities	Halls	-	70	-	-
	0004: ADMINISTRATION - PROPERTIES	1000 STOELE	Community Facilities	Halls	-	160	-	-
	0004: ADMINISTRATION - PROPERTIES	40 X CHAIRS (COUNCIL CHAMBERS)	Furniture and Equipment	Furniture and Equipment	-	100	-	-
	0006: TOURISM	COMMUNITY PROJECT	Sport and Recreation Facilities	Outdoor Facilities	50	-	-	-
	0007: FINANCIAL SERVICES	CHAIR - ASSISTANT ACCOUNTANT CONTRACT MANAGEMENT	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0007: FINANCIAL SERVICES	FILING SYSTEM - SAFE	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0007: FINANCIAL SERVICES	MICRON METER	Machinery & Equipment	Machinery & Equipment	-	-	-	-
	0007: FINANCIAL SERVICES	MONEY COUNTERS - CASHIERS	Machinery & Equipment	Machinery & Equipment	-	-	-	-
	0007: FINANCIAL SERVICES	TV	Machinery & Equipment	Machinery & Equipment	6	-	-	-
	0007: FINANCIAL SERVICES	ASSETS: CHAIR (ASSISTANT ACCOUNTANT MOVABLE ASSETS)	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0007: FINANCIAL SERVICES	ASSETS: CHAIR (MANAGER: ASSET MANAGEMENT)	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0007: FINANCIAL SERVICES	TV	Furniture and Equipment	Furniture and Equipment	6	-	-	-
	0007: FINANCIAL SERVICES	PAVING	Operational Buildings	Stores	-	-	-	-
	0007: FINANCIAL SERVICES	STORE - ELECTRICAL EQUIPMENT	Operational Buildings	Stores	-	-	-	-
	0007: FINANCIAL SERVICES	CHAIR - BUYERS	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0007: FINANCIAL SERVICES	CHAIR: ASS ACCOUNTANT	Furniture and Equipment	Furniture and Equipment	2	-	-	-
	0007: FINANCIAL SERVICES	CHAIR: CLERK: INFORMAL SETTLEMENTS	Furniture and Equipment	Furniture and Equipment	3	-	-	-
	0007: FINANCIAL SERVICES	CHAIR: DEBT COLLECTION X 2	Furniture and Equipment	Furniture and Equipment	2	-	-	-
	0007: FINANCIAL SERVICES	HEAVY DUTY CHAIR: ACCOUNTANT INDIGENT	Furniture and Equipment	Furniture and Equipment	4	-	-	-
	0007: FINANCIAL SERVICES	VISITOR CHAIR: DEBT COLLECTION	Furniture and Equipment	Furniture and Equipment	1	-	-	-
	0007: FINANCIAL SERVICES	SALARY OFFICE: CHAIR	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0007: FINANCIAL SERVICES	CHAIR: UNAUTHORISED USAGES (VERONICA)	Furniture and Equipment	Furniture and Equipment	-	2	-	-
	0007: FINANCIAL SERVICES	HEAVY DUTY SCANNER	Furniture and Equipment	Furniture and Equipment	-	8	-	-

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0007: FINANCIAL SERVICES	VISITOR CHAIR: INDIGENT	Furniture and Equipment	Furniture and Equipment	–	1	–	–
	0007: FINANCIAL SERVICES	BUILDING IMPROVEMENTS (CUBICLES)	Operational Buildings	Municipal Offices	–	100	–	–
	0008: COMMUNICATIONS SERVICES	DIGITAL CAMERA (COMMUNICATION)	Machinery & Equipment	Machinery & Equipment	14	–	–	–
	0008: COMMUNICATIONS SERVICES	VIDEO CAMERA (COMMUNICATION)	Machinery & Equipment	Machinery & Equipment	–	–	–	–
	0008: COMMUNICATIONS SERVICES	CHAIR - HIGHBACK (COMMUNICATION)	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0009: HUMAN RESOURCES	CHAIR: HIGH BACK	Furniture and Equipment	Furniture and Equipment	4	–	–	–
	0009: HUMAN RESOURCES	CHAIR: HIGH BACK (HEAVY DUTY) x 2	Furniture and Equipment	Furniture and Equipment	3	–	–	–
	0009: HUMAN RESOURCES	DESK	Furniture and Equipment	Furniture and Equipment	4	–	–	–
	0011: OFFICE OF THE MUNICIPAL MANAGER	MICROWAVE	Furniture and Equipment	Furniture and Equipment	1	–	–	–
	0011: OFFICE OF THE MUNICIPAL MANAGER	OFFICE CHAIR (HIGH BACK)	Furniture and Equipment	Furniture and Equipment	3	–	–	–
	0011: OFFICE OF THE MUNICIPAL MANAGER	FRIDGE (SATELLITE OFFICE - DODDS)	Furniture and Equipment	Furniture and Equipment		3	–	–
	0011: OFFICE OF THE MUNICIPAL MANAGER	MICROWAVE (SATELLITE OFFICE - DODDS)	Furniture and Equipment	Furniture and Equipment		2	–	–
	0019: IDP	CHAIR: SENIOR IDP CLERK (MATHYS)	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0019: IDP	CHAIR: SENIOR IDP OFFICER (MAKIBI)	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0019: IDP	DESK: SENIOR IDP CLERK (MATHYS)	Furniture and Equipment	Furniture and Equipment	–	4	–	–
	0020: TRAFFIC SERVICES	ALARM SYSTEM & CAMERA	Operational Buildings	Municipal Offices	20	–	–	–
	0020: TRAFFIC SERVICES	ROAD FURNITURE - SIGNAGE	Road Infrastructure	Road Furniture	70	100	105	110
	0020: TRAFFIC SERVICES	CHAIR (CASHIER) X 7	Furniture and Equipment	Furniture and Equipment	8	–	–	–
	0020: TRAFFIC SERVICES	GRINDER	Machinery & Equipment	Machinery & Equipment	3	–	–	–
	0020: TRAFFIC SERVICES	BOOR	Machinery & Equipment	Machinery & Equipment	3	–	–	–
	0020: TRAFFIC SERVICES	AIRCONDITIONERS - OFFICES	Operational Buildings	Municipal Offices	30	–	–	–
	0020: TRAFFIC SERVICES	ALCOHOL-SCANNER	Machinery & Equipment	Machinery & Equipment	–	21	–	–
	0020: TRAFFIC SERVICES	DIGITAL CAMERA	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0020: TRAFFIC SERVICES	MUNICIPAL OFFICES	Operational Buildings	Municipal Offices	–	200	–	–
	0020: TRAFFIC SERVICES	BULK FILE CABINET	Furniture and Equipment	Furniture and Equipment		140	–	–
	0020: TRAFFIC SERVICES	ROAD FURNITURE - SIGNAGE	Road Infrastructure	Road Furniture	–	–	735	772

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0021: FIRE SERVICES	5930: CANON KAMERA	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0021: FIRE SERVICES	PORTABLE BA REFULE COMPRESSOR	Machinery and Equipment	Machinery and Equipment	250	–	–	–
	0021: FIRE SERVICES	TRAINING OFFICE	Furniture and Equipment	Furniture and Equipment	–	–	–	–
	0021: FIRE SERVICES	BUILDING IMPROVEMENTS	Operational Buildings	Municipal Offices	15	–	–	–
	0021: FIRE SERVICES	FIRE ALARM SYSTEM	Operational Buildings	Municipal Offices	–	–	–	–
	0023: DISASTER MANAGEMENT	BANDNEMER	Machinery and Equipment	Machinery and Equipment	–	–	–	–
	0023: DISASTER MANAGEMENT	GAZEBO	Machinery and Equipment	Machinery and Equipment	–	–	–	–
	0023: DISASTER MANAGEMENT	CHAIR	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0023: DISASTER MANAGEMENT	OFFICE FURNITURE	Furniture and Equipment	Furniture and Equipment	–	–	–	–
	0023: DISASTER MANAGEMENT	VISITOR CHAIRS X 2	Furniture and Equipment	Furniture and Equipment	1	–	–	–
	0024: SECURITY SERVICES	MONEY TRUNK	Machinery and Equipment	Machinery and Equipment	25	–	–	–
	0024: SECURITY SERVICES	FIRE ARMS (PISTOL X 6)	Machinery and Equipment	Machinery and Equipment	–	65	–	–
	0024: SECURITY SERVICES	FIRE ARMS (SHOTGUN X 2)	Machinery and Equipment	Machinery and Equipment	–	12	–	–
	0024: SECURITY SERVICES	HAND RADIO'S X 10	Machinery and Equipment	Machinery and Equipment	–	25	–	–
	0024: SECURITY SERVICES	ELECTRIFICATION OF FENCES (VARIOUS BUILDINGS)	Operational Buildings	Municipal Offices	–	1,500	–	–
	0027: REFUSE REMOVAL SERVICES	CHAIR (HIGHBACK) (SENIOR REINIGING - JOHAN)	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0027: REFUSE REMOVAL SERVICES	CHAIR (SECRETARY) (CLERK)	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0027: REFUSE REMOVAL SERVICES	CHAIR (HIGHBACK) (SENIOR ADMIN - CECILIA)	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0027: REFUSE REMOVAL SERVICES	AIRCONDITIONERS - OFFICES	Operational Buildings	Municipal Offices	30	–	–	–
	0027: REFUSE REMOVAL SERVICES	FENCING - ASKHAM (CLEARVU - 145M)	Solid Waste Infrastructure	Landfill Sites	–	218	–	–
	0027: REFUSE REMOVAL SERVICES	FENCING - WELKOM (CLEARVU - 120M)	Solid Waste Infrastructure	Landfill Sites	–	180	–	–
	0027: REFUSE REMOVAL SERVICES	IMPACT STUDIE - SWARTKOP DAM	Solid Waste Infrastructure	Landfill Sites	–	500	–	–
	0027: REFUSE REMOVAL SERVICES	FENCING LANDFILL SITE - GROOT MIER (CLEARVU - 127M)	Machinery & Equipment	Machinery & Equipment	9	191	–	–
	0028: VACUUM TANK SERVICES	BUILDING IMPROVEMENTS	Operational Buildings	Municipal Offices	–	–	100	–
	0028: VACUUM TANK SERVICES	AIRCONDITIONER	Furniture and Equipment	Furniture and Equipment	–	30	–	–
	0028: VACUUM TANK SERVICES	CHAIR - ASS SUPERINTENDENT	Furniture and Equipment	Furniture and Equipment	–	2	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0028: VACUUM TANK SERVICES	CHAIR - CLERK	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0028: VACUUM TANK SERVICES	DESK - SUPERINTENDENT	Furniture and Equipment	Furniture and Equipment	–	4	–	–
	0028: VACUUM TANK SERVICES	DESK - CLERK	Furniture and Equipment	Furniture and Equipment	–	4	–	–
	0028: VACUUM TANK SERVICES	FRIDGE	Furniture and Equipment	Furniture and Equipment	–	5	–	–
	0028: VACUUM TANK SERVICES	MICROWAVE	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0028: VACUUM TANK SERVICES	URN	Furniture and Equipment	Furniture and Equipment	–	1	–	–
	0028: VACUUM TANK SERVICES	VISITOR CHAIR X 10	Furniture and Equipment	Furniture and Equipment	–	8	–	–
	0028: VACUUM TANK SERVICES	STORAGE CONTAINER	Operational Buildings	Stores	–	35	–	–
	0030: TOWN PLANNING A& BUILDING CONT	HEAVY DUTY CHAIR	Furniture and Equipment	Furniture and Equipment	4	–	–	–
	0030: TOWN PLANNING A& BUILDING CONT	FILING SYSTEM CABINET	Furniture and Equipment	Furniture and Equipment	–	150	–	–
	0030: TOWN PLANNING A& BUILDING CONT	HIGH BACK CHAIR - TOWN PLANNER	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0030: TOWN PLANNING A& BUILDING CONT	TV	Furniture and Equipment	Furniture and Equipment	–	7	–	–
	0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR - DEVELOPMENT OFFICER	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR - SNR CLERK	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR - TOURISM OFFICER	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR- MANAGER LED & TOURISM	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR- OFFICE ASSISTANT	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0031: LOCAL ECONOMIC DEVELOPMENT		Furniture and Equipment	Furniture and Equipment	–	3	–	–
	0032: INTERNAL AUDIT	PAPER SHREDDER	Furniture and Office Equipment	Furniture and Office Equipment	3	–	–	–
	0032: INTERNAL AUDIT	TV	Furniture and Office Equipment	Furniture and Office Equipment		7	–	–
	0033: INFORMATION TECHNOLOGY	DESKTOP - NEW	Computer Equipment	Computer Equipment	40	50	–	–
	0033: INFORMATION TECHNOLOGY	LAPTOP - NEW	Computer Equipment	Computer Equipment	50	50	–	–
	0033: INFORMATION TECHNOLOGY	PRINTERS - NEW	Computer Equipment	Computer Equipment	25	–	–	–
	0033: INFORMATION TECHNOLOGY	DISASTER RECOVERY CENTRE	Machinery and Equipment	Machinery and Equipment	400	400	–	–
	0033: INFORMATION TECHNOLOGY	VENDOR EQUIPMENT	Machinery and Equipment	Machinery and Equipment	116	120	–	–
	0033: INFORMATION TECHNOLOGY	IT TRAINING CENTRE	Furniture and Equipment	Furniture and Equipment	–	20	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0033: INFORMATION TECHNOLOGY	DESKTOP - RENEWALS	Computer Equipment	Computer Equipment	250	300	-	-
	0033: INFORMATION TECHNOLOGY	LAPTOP - RENEWALS	Computer Equipment	Computer Equipment	150	200	-	-
	0033: INFORMATION TECHNOLOGY	PRINTER - RENEWALS	Computer Equipment	Computer Equipment	66	70	-	-
	0033: INFORMATION TECHNOLOGY	PRINTERS - NEW	Computer Equipment	Computer Equipment	-	30	-	-
	0033: INFORMATION TECHNOLOGY	NETWORK SWITCHES	Machinery and Equipment	Machinery and Equipment	131	250	-	-
	0033: INFORMATION TECHNOLOGY	TELEPHONE SYSTEM	Machinery and Equipment	Machinery and Equipment	-	3,500	-	-
	0033: INFORMATION TECHNOLOGY	UPS BATTERIES - COMPUTERS	Machinery and Equipment	Machinery and Equipment	-	125	-	-
	0033: INFORMATION TECHNOLOGY	UPS BATTERIES - SERVER	Machinery and Equipment	Machinery and Equipment	300	-	-	-
	0033: INFORMATION TECHNOLOGY	MS OFFICE 2018 UPGRADE	Licences and Rights	Computer Software and Applications	-	-	-	-
	0033: INFORMATION TECHNOLOGY	OFFICE DESK	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0033: INFORMATION TECHNOLOGY	OFFICE PEDESTAL	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0033: INFORMATION TECHNOLOGY	VISITOR CHAIR X 1	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0033: INFORMATION TECHNOLOGY	OFFICE CHAIRS X 1 (HIGH BACK SWIVEL)	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0033: INFORMATION TECHNOLOGY	OFFICE CHAIRS X 1 (HIGH BACK)	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0033: INFORMATION TECHNOLOGY	WIRELESS ACCESS POINT	Computer Equipment	Computer Equipment	4	5	-	-
	0033: INFORMATION TECHNOLOGY	SKADA SERVER	Computer Equipment	Computer Equipment	110	-	-	-
	0033: INFORMATION TECHNOLOGY	TCS SERVER	Licences and Rights	Computer Software and Applications	84	-	-	-
	0033: INFORMATION TECHNOLOGY	UPGRADE IMIS SYSTEM	Computer Equipment	Computer Equipment	1,977	-	-	-
	0033: INFORMATION TECHNOLOGY	MONO LAZER PRINTER X 8	Computer Equipment	Computer Equipment	37	-	-	-
	0033: INFORMATION TECHNOLOGY	4 IN 1 PRINTER X 4	Computer Equipment	Computer Equipment	15	-	-	-
	0033: INFORMATION TECHNOLOGY	MICROSOFT SERVER LICENCES	Licences and Rights	Computer Software and Applications	312	-	-	-
	0033: INFORMATION TECHNOLOGY	PRINTER - ACCOUNTS	Computer Equipment	Computer Equipment	+	350	-	-
	0033: INFORMATION TECHNOLOGY	SERVER - PRE-PAID BACKUP	Computer Equipment	Computer Equipment		600	-	-
	0038: CORPORATE SERVICES	: KANTOOR STOEL	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0039: LEGAL SERVICES	Office Chairs x 1 (High Back)	Furniture and Equipment	Furniture and Equipment	1	-	-	-
	0039: LEGAL SERVICES	Office Chairs x 1 (High Back swivel)	Furniture and Equipment	Furniture and Equipment	1	-	-	-

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0039: LEGAL SERVICES	Office Desk	Furniture and Equipment	Furniture and Equipment	3	-	-	-
	0039: LEGAL SERVICES	Office Pedestal	Furniture and Equipment	Furniture and Equipment	1	-	-	-
	0039: LEGAL SERVICES	Visitor Chair x 1	Furniture and Equipment	Furniture and Equipment	0	-	-	-
	0039: LEGAL SERVICES	Visitor Chair x 1	Furniture and Equipment	Furniture and Equipment	0	-	-	-
	0040: CIVIL ENGINEERING SERVICES	5910: KANTOOR STOEL	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0040: CIVIL ENGINEERING SERVICES	5911: CADDIE PROFESSIONAL LICENSE	Licences and Rights	Computer Software	-	-	-	-
	0040: CIVIL ENGINEERING SERVICES	5912: CADDIE PROFESSIONAL LICENSE	Licences and Rights	Computer Software	-	-	-	-
	0040: CIVIL ENGINEERING SERVICES	5913: CADDIE PROFESSIONAL LICENSE	Licences and Rights	Computer Software	-	-	-	-
	0040: CIVIL ENGINEERING SERVICES	CLUSTER UNIT X 2	Furniture and Equipment	Furniture and Equipment	7	-	-	-
	0040: CIVIL ENGINEERING SERVICES	5915: CLUSTER UNIT	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0040: CIVIL ENGINEERING SERVICES	5916: CLUSTER UNIT	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0040: CIVIL ENGINEERING SERVICES	BLINDS	Furniture and Equipment	Furniture and Equipment	2	-	-	-
	0040: CIVIL ENGINEERING SERVICES	3 DRAW PEDESTAL X 4	Furniture and Equipment	Furniture and Equipment	3	-	-	-
	0040: CIVIL ENGINEERING SERVICES	DESK X 2: CONTROL TECHNICIAN SEWERAGE TREATMENT	Furniture and Equipment	Furniture and Equipment	7	-	-	-
	0040: CIVIL ENGINEERING SERVICES	CHAIR: CONTROL TECHNICIAN SEWERAGE TREATMENT	Furniture and Equipment	Furniture and Equipment	2	-	-	-
	0040: CIVIL ENGINEERING SERVICES	VISITOR CHAIRS X 2 (CONTROL TECHNICIAN SEWERAGE TREA	Furniture and Equipment	Furniture and Equipment	1	-	-	-
	0040: CIVIL ENGINEERING SERVICES	PAULA HIGHBACK CHAIR X 3	Furniture and Equipment	Furniture and Equipment	2	-	-	-
	0040: CIVIL ENGINEERING SERVICES	5923: PAULA HIGHBACK CHAIR	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0040: CIVIL ENGINEERING SERVICES	5924: PAULA HIGHBACK CHAIR	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0040: CIVIL ENGINEERING SERVICES	CHAIR GAS ARMS X 2	Furniture and Equipment	Furniture and Equipment	2	-	-	-
	0040: CIVIL ENGINEERING SERVICES	5926: CHAIR GAS ARMS	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0040: CIVIL ENGINEERING SERVICES	6262: OFFICE EQUIPMENT - DIRECTOR	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0041: STREETS & STORMWATER DRAINAGE	DESK	Furniture and Equipment	Furniture and Equipment	4	-	-	-
	0041: STREETS & STORMWATER DRAINAGE	AIRCONDITIONER (12000 BTU)	Furniture and Equipment	Furniture and Equipment	12	-	-	-
	0041: STREETS & STORMWATER DRAINAGE	SPEEDBUMPS AND ROUND-ABOUTS	Road Infrastructure	Road Structure	200	250	250	300
	0041: STREETS & STORMWATER DRAINAGE	REHABILITATION OF ROADS	Road Infrastructure	Road Structure	9,806	3,000	8,000	10,000

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0041: STREETS & STORMWATER DRAINAGE	CHAIRS X 4	Furniture and Equipment	Furniture and Equipment	6	–	–	–
	0041: STREETS & STORMWATER DRAINAGE	LOCKERS	Furniture and Equipment	Furniture and Equipment	–	20	–	–
	0041: STREETS & STORMWATER DRAINAGE	CLEARVU FENCE	Operational Buildings	Yards	–	250	250	–
	0041: STREETS & STORMWATER DRAINAGE	RENEWAL OF KERBS & SIDE BARRIERS	Storm water Infrastructure	Storm water Conveyance	–	100	250	300
	0041: STREETS & STORMWATER DRAINAGE	INSTALLATION OF HEIGHT CONTROL	Road Infrastructure	Road Structure	–	20	–	–
	0042: WORKSHOP	5755: PORTA PACK GASWELDING SET	Machinery and Equipment	Machinery & Equipment	18	–	–	–
	0042: WORKSHOP	EXTRACTOR FAN	Machinery & Equipment	Machinery & Equipment	2	–	–	–
	0042: WORKSHOP	115MM ANGLE GRINDER	Machinery and Equipment	Machinery and Equipment	–	2	–	–
	0042: WORKSHOP	2 XGREASE GUN, 15L, PNEUMATIC, 3M HOSE	Machinery and Equipment	Machinery and Equipment	–	13	–	–
	0042: WORKSHOP	230MM ANGLE GRINDER	Machinery and Equipment	Machinery and Equipment	–	3	–	–
	0042: WORKSHOP	3 X 6 AMP BATTERY CHARGER	Machinery and Equipment	Machinery and Equipment	–	6	–	–
	0042: WORKSHOP	3 X ENGINE SUPPORT 500KG	Machinery and Equipment	Machinery and Equipment	–	5	–	–
	0042: WORKSHOP	3 X HOSE REEL OIL 15M HOSE	Machinery and Equipment	Machinery and Equipment	–	22	–	–
	0042: WORKSHOP	3 X OIL CONTROL GUN, FLEXIBLE NOZZLE	Machinery and Equipment	Machinery and Equipment	–	12	–	–
	0042: WORKSHOP	3 X TROLLEY 200L DRUM	Machinery and Equipment	Machinery and Equipment	–	11	–	–
	0042: WORKSHOP	4 X CAR DOLLY 450KG	Machinery and Equipment	Machinery and Equipment	–	9	–	–
	0042: WORKSHOP	4 X LEADLIGHTS 30 M	Machinery and Equipment	Machinery and Equipment	–	6	–	–
	0042: WORKSHOP	4 X RETRACTABLE HOSE REEL	Machinery and Equipment	Machinery and Equipment	–	7	–	–
	0042: WORKSHOP	8 X HEAVY DUTY CREEPERS	Machinery and Equipment	Machinery and Equipment	6	–	–	–
	0042: WORKSHOP	8 X LEAD LIGHTS LED	Machinery and Equipment	Machinery and Equipment	–	8	–	–
	0042: WORKSHOP	AUXILLARY JACK, 2 TON , FOR PIT	Machinery and Equipment	Machinery and Equipment	–	7	–	–
	0042: WORKSHOP	BAR FRIDGE	Machinery and Equipment	Machinery and Equipment	2	–	–	–
	0042: WORKSHOP	BATTERY CHARGER TROLLEY	Machinery and Equipment	Machinery and Equipment	7	–	–	–
	0042: WORKSHOP	BATTERY TESTER 500AMP	Machinery and Equipment	Machinery and Equipment	–	3	–	–
	0042: WORKSHOP	BOOSTER PACK 12V/24V 4000A	Machinery and Equipment	Machinery and Equipment	–	7	–	–
	0042: WORKSHOP	BUILDING IMPROVEMENT - WATER COOLER SYSTEM	Machinery and Equipment	Machinery and Equipment	50	–	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0042: WORKSHOP	CARRIER TRAILER	Machinery and Equipment	Machinery and Equipment	44	–	–	–
	0042: WORKSHOP	CATERPILLAR OIL PRESSURE GAUGE SET	Machinery and Equipment	Machinery and Equipment	23	–	–	–
	0042: WORKSHOP	DRILL	Machinery and Equipment	Machinery and Equipment	–	5	–	–
	0042: WORKSHOP	FILTER WRENCH CUP SET	Machinery and Equipment	Machinery and Equipment	–	4	–	–
	0042: WORKSHOP	GEAR OIL LUBRICATOR, HAND OPERATE, 15L	Machinery and Equipment	Machinery and Equipment	–	8	–	–
	0042: WORKSHOP	HIPRESSURE CLEANER	Machinery and Equipment	Machinery and Equipment	–	25	–	–
	0042: WORKSHOP	INVERTER WELDER 200AMP	Machinery and Equipment	Machinery and Equipment	3	–	–	–
	0042: WORKSHOP	OIL DRAIN AND EXCAVATOR IN ONE	Machinery and Equipment	Machinery and Equipment	10	–	–	–
	0042: WORKSHOP	OIL DRAIN FLOOR TROLLEY TYPE, 60L	Machinery and Equipment	Machinery and Equipment	–	3	–	–
	0042: WORKSHOP	OIL FILTER WRENCH CP SET	Machinery and Equipment	Machinery and Equipment	4	–	–	–
	0042: WORKSHOP	OIL PUMP, PNEUMATIC, 14L/MIN,	Machinery and Equipment	Machinery and Equipment	6	–	–	–
	0042: WORKSHOP	PETROL COMPRESSION TESTER	Machinery and Equipment	Machinery and Equipment	3	–	–	–
	0042: WORKSHOP	PORTA PACK GASWELDING SET	Machinery and Equipment	Machinery and Equipment	–	–	–	–
	0042: WORKSHOP	ROTARY DRUM PUMP, OIL HEAVY DUTY	Machinery and Equipment	Machinery and Equipment	–	6	–	–
	0042: WORKSHOP	STEP LADDER	Machinery and Equipment	Machinery and Equipment	2	–	–	–
	0042: WORKSHOP	TRUCK WHEELNUT MULTIPLIER, 1:56	Machinery and Equipment	Machinery and Equipment	6	–	–	–
	0042: WORKSHOP	WAP - HIGH PRESSURE	Machinery and Equipment	Machinery and Equipment	–	150	–	–
	0043: COMMONAGE	MOBIELE KRAAL	Machinery and Equipment	Machinery and Equipment	–	20	–	–
	0043: COMMONAGE	SKUT	Machinery and Equipment	Machinery and Equipment	360	–	–	–
	0043: COMMONAGE	TRAILER MET LAAIBANK (MEENT)	Transport Assets	Transport Assets	–	120	–	–
	0043: COMMONAGE	FENCING - COMMONAGE	Land	Land	–	250	250	–
	0043: COMMONAGE	IMPROVEMENTS AT COMMONAGE	Land	Land	–	250	–	–
	0045: SEWERAGE PURIFICATION PLANT	CLORINATOR	Sanitation Infrastructure	Pump Station	130	70	–	–
	0045: SEWERAGE PURIFICATION PLANT	PRESONIX (SWITCHGEAR) X 5	Machinery & Equipment	Machinery & Equipment	75	–	–	–
	0045: SEWERAGE PURIFICATION PLANT	REPLACEMENT OF WORN-OUT PUMPS, VALVES - HQ	Sanitation Infrastructure	Pump Station	50	150	150	150
	0045: SEWERAGE PURIFICATION PLANT	REPLACEMENT OF WORN-OUT PUMPS, VALVES - SATELLITE	Sanitation Infrastructure	Pump Station	50	100	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0045: SEWERAGE PURIFICATION PLANT	INDUSTRIAL GENERATOR - DUIKWEG	Electrical Infrastructure	Power Plants	–	–	800	–
	0045: SEWERAGE PURIFICATION PLANT	INDUSTRIAL GENERATOR - KAMEELMOND	Electrical Infrastructure	Power Plants	–	–	2,500	–
	0045: SEWERAGE PURIFICATION PLANT	INDUSTRIAL GENERATOR - LOUISVALE-WEG	Electrical Infrastructure	Power Plants	–	–	800	–
	0045: SEWERAGE PURIFICATION PLANT	UPGRADE - SEWERAGE TREATMENT PLANT (RIETFontein) (C	Water Supply Infrastructure	Water Treatment Works	–	697	–	–
	0045: SEWERAGE PURIFICATION PLANT	DEDaT: UPGRADE - SEWERAGE TREATMENT PLANT (RIETFont	Water Supply Infrastructure	Water Treatment Works	–	1,478	–	–
	0046: TRANSPORT	TELEVISION (SATELITE TRACKING)	Transport Assets	Transport Assets	10	–	–	–
	0046: TRANSPORT	5798: 1000 KG LDV WITH TOOLBOX CANOPY (WORKSHOP)	Transport Assets	Transport Assets	300	–	–	–
	0046: TRANSPORT	GENERATOR (PARKS)	Transport Assets	Transport Assets	5	–	–	–
	0046: TRANSPORT	CAR RADIO'S (VACUUM TANK SERVICES) X 5	Transport Assets	Transport Assets	30	–	–	–
	0046: TRANSPORT	BLOWER (WATER PRODUCTION)	Transport Assets	Transport Assets	8	–	–	–
	0046: TRANSPORT	TRUCK DIAGNOSTIC MACHINE	Transport Assets	Transport Assets	40	–	–	–
	0046: TRANSPORT	6003: 1 TON ARMoured RESPONSE VEHICLE (ROLL-OVER)	Transport Assets	Transport Assets	662	–	–	–
	0046: TRANSPORT	6048: 9000 LITER VACUUM TANKER (ROLL-OVER)	Transport Assets	Transport Assets	945	–	–	–
	0046: TRANSPORT	6049: BELL COMPACTOR (FUNKSIE 27)(ROLL-OVER)	Transport Assets	Transport Assets	4,301	–	–	–
	0046: TRANSPORT	6052: JACKHAMMER BREAKER (ROLL-OVER)	Machinery & Equipment	Machinery & Equipment	23	–	–	–
	0046: TRANSPORT	6053: JACKHAMMER BREAKER (ROLL-OVER)	Machinery & Equipment	Machinery & Equipment	23	–	–	–
	0046: TRANSPORT	6054: JACKHAMMER BREAKER (ROLL-OVER)	Machinery & Equipment	Machinery & Equipment	23	–	–	–
	0046: TRANSPORT	6055: JACKHAMMER BREAKER (ROLL-OVER)	Machinery & Equipment	Machinery & Equipment	23	–	–	–
	0046: TRANSPORT	6080: JACKHAMMER BREAKER (ROADS &STORMWATER)(ROLL-	Machinery & Equipment	Machinery & Equipment	23	–	–	–
	0046: TRANSPORT	6081: FIRE TRUCK (ROLL-OVER)	Transport Assets	Transport Assets	3,800	–	–	–
	0046: TRANSPORT	140 G PADSKRAPPER X 1	Transport Assets	Transport Assets	–	–	–	–
	0046: TRANSPORT	BAKKIE 4X4 DC BAKKIE X 1	Transport Assets	Transport Assets	528	–	–	–
	0046: TRANSPORT	BAKKIES 1.6/1.4 500KG X 4	Transport Assets	Transport Assets	768	1,200	540	1,050
	0046: TRANSPORT	BAKKIES X 4	Transport Assets	Transport Assets	1,000	1,120	250	270
	0046: TRANSPORT	BAKKIE 1000 KG LDV WITH TOOLBOX CANOPY X 2	Transport Assets	Transport Assets	–	–	300	310
	0046: TRANSPORT	BAKKIE 1000KG LAW MET VOLLE DEUR KAPPIE (SANITASIE) X 2	Transport Assets	Transport Assets	–	–	–	560

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0046: TRANSPORT	CAR- 1.6 LUIKRUG X 2	Transport Assets	Transport Assets	–	–	400	380
	0046: TRANSPORT	CAR- 1.6 SEDAN X 2	Transport Assets	Transport Assets	–	1,030	500	540
	0046: TRANSPORT	CHERRY PICKER 4TON X 1	Transport Assets	Transport Assets	–	–	–	1,100
	0046: TRANSPORT	COMPACTOR TRUCK 17 CUB X 2	Transport Assets	Transport Assets	–	1,500	1,700	1,900
	0046: TRANSPORT	CREW CAB TROK MET DRARAK (2 TON) X 2	Transport Assets	Transport Assets	–	750	650	800
	0046: TRANSPORT	DIESEL TRAILER X 1	Transport Assets	Transport Assets	–	100	–	–
	0046: TRANSPORT	ELEKTRIES BOOR-ELEKTRIESE DIENSTE X 1	Transport Assets	Transport Assets	–	–	–	–
	0046: TRANSPORT	FRONT END LOADER X 1	Transport Assets	Transport Assets	–	–	1,700	–
	0046: TRANSPORT	ZERO TURN LAWN MOVER	Transport Assets	Transport Assets	200	–	200	–
	0046: TRANSPORT	KANTSLANERS	Transport Assets	Transport Assets	100	–	50	50
	0046: TRANSPORT	KETTINGSAE	Transport Assets	Transport Assets	54	–	45	45
	0046: TRANSPORT	KOMBI: 14-SITPLEK X 1	Transport Assets	Transport Assets	600	–	–	–
	0046: TRANSPORT	MOBIELE WATERPUMP X 1	Transport Assets	Transport Assets	–	26	13	15
	0046: TRANSPORT	MPV- 7-SITPLEK X 1	Transport Assets	Transport Assets	–	–	–	–
	0046: TRANSPORT	RIETSLANERS	Transport Assets	Transport Assets	36	–	45	45
	0046: TRANSPORT	ROLLER (BOMAG TIPE) X 1	Transport Assets	Transport Assets	166	220	200	–
	0046: TRANSPORT	SANITASIE TROK X 2	Transport Assets	Transport Assets	–	1,500	1,500	–
	0046: TRANSPORT	SNOEISAE (PRUNER)	Transport Assets	Transport Assets	63	–	45	45
	0046: TRANSPORT	STRAAT VEËR X 1	Transport Assets	Transport Assets	–	–	–	–
	0046: TRANSPORT	TIPPER 6 CUB X 2	Transport Assets	Transport Assets	–	1,200	1,200	1,300
	0046: TRANSPORT	TLB X 1	Transport Assets	Transport Assets	–	–	–	1,300
	0046: TRANSPORT	VACUUM TANKER 6000 LITER X 1	Transport Assets	Transport Assets	–	–	–	–
	0046: TRANSPORT	1.6 500KG LAW (ROLL OVER)	Transport Assets	Transport Assets	–	–	400	700
	0046: TRANSPORT	1000 KG 4X4 LDV (MEENT)	Transport Assets	Transport Assets	–	–	350	–
	0046: TRANSPORT	140 G-SIZE GRADER	Transport Assets	Transport Assets	–	–	–	1,350
	0046: TRANSPORT	CONCRETE MIXER	Transport Assets	Transport Assets	–	–	–	3,500

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0046: TRANSPORT	JACKHAMMER (ROLL OVER)	Transport Assets	Transport Assets	–	600	–	–
	0046: TRANSPORT	TIPPER 6 CUB X 1	Transport Assets	Transport Assets	–	–	–	600
	0046: TRANSPORT	TLB	Transport Assets	Transport Assets	–	1,700	–	–
	0046: TRANSPORT	TLB X 1	Transport Assets	Transport Assets	–	–	1,800	1,900
	0046: TRANSPORT	TRAILER MET LAAIBANK (MEENT)	Transport Assets	Transport Assets	–	1,500	–	–
	0046: TRANSPORT	TREKKERS	Transport Assets	Transport Assets	–	–	1,200	–
	0048: SEWERAGE DISTRIBUTION	UPGRADE - SEWERAGE TREATMENT PLANT (RIETFontein)	Sanitation Infrastructure	Waste Water Treatment Works	–	–	–	–
	0048: SEWERAGE DISTRIBUTION	KAMEELMOND WWTW - RBIG (COUNTER)	Sanitation Infrastructure	Waste Water Treatment Works	–	–	–	–
	0048: SEWERAGE DISTRIBUTION	CONSTRUCT NEW/UPGRADED BULK OUTFALL SEWER - BLK_KM	Sanitation Infrastructure	Distribution	–	–	–	–
	0048: SEWERAGE DISTRIBUTION	WSIG: CONSTRUCTION OF NEW LOUISVALE ROAD SEWAGE PUMP	Sanitation Infrastructure	Distribution	–	–	–	–
	0048: SEWERAGE DISTRIBUTION	SEWER PIPELINE INSPECTION CAMERA EQUIPMENT	Machinery and Equipment	Machinery and Equipment	–	100	–	–
	0048: SEWERAGE DISTRIBUTION	CRR - UPGRADING BULK OUTFALL SEWER	Sanitation Infrastructure	Distribution Points	–	10,000	–	–
	0048: SEWERAGE DISTRIBUTION	SEWERAGE MANHOLE COVERS	Sanitation Infrastructure	Distribution Points	–	200	250	300
	0048: SEWERAGE DISTRIBUTION	SEWER RETICULATION - 250 ERVENS LOUISVALE	Sanitation Infrastructure	Distribution Points	–	–	2,500	2,750
	0048: SEWERAGE DISTRIBUTION	SEWER RETICULATION - 330 ERVENS SMARTIES	Sanitation Infrastructure	Distribution Points	–	–	8,261	8,696
	0048: SEWERAGE DISTRIBUTION	KAMEELMOND WWTW - RBIG (COUNTER)	Sanitation Infrastructure	Reticulation	–	5,769	–	–
	0050: PARKS	GRINDER X 2	Machinery and Equipment	Machinery and Equipment	5	–	–	–
	0050: PARKS	INVERTER WELDER	Machinery and Equipment	Machinery and Equipment	3	–	–	–
	0050: PARKS	PAVING OF STREET-ISLANDS	Roads Infrastructure	Road Structures	–	100	–	–
	0050: PARKS	UPGRADE - PARKS FENCING	Sport and Recreation Facilities	Outdoor Facilities	–	50	–	–
	0050: PARKS	UPGRADE - PARKS PLAYGROUND EQUIPMENT	Sport and Recreation Facilities	Outdoor Facilities	–	50	–	–
	0050: PARKS	HAND RADIO'S X 10	Machinery and Equipment	Machinery and Equipment	–	90	–	–
	0051: ISLAND HOLIDAY RESORT	LEADER	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0051: ISLAND HOLIDAY RESORT	BUILDING IMPROVEMENTS	Community Facilities	Halls	59	–	–	–
	0051: ISLAND HOLIDAY RESORT	DREAM ZONE BASE SET	Furniture and Equipment	Furniture and Equipment	30	64	–	–
	0051: ISLAND HOLIDAY RESORT	ELECTRICAL MOTOR FOR SWIMMING POOL	Furniture and Equipment	Furniture and Equipment	20	–	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0051: ISLAND HOLIDAY RESORT	AIRCONDITIONERS	Furniture and Equipment	Furniture and Equipment	–	80	–	–
	0051: ISLAND HOLIDAY RESORT	CHAIR - ASSISTANT SUPERINTEND	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0051: ISLAND HOLIDAY RESORT	CHAIR - CLERK	Furniture and Equipment	Furniture and Equipment	–	8	–	–
	0051: ISLAND HOLIDAY RESORT	CHAIR - HEAD: EILAND	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0051: ISLAND HOLIDAY RESORT	MICROWAVE	Furniture and Equipment	Furniture and Equipment	–	15	–	–
	0051: ISLAND HOLIDAY RESORT	FRIDGE	Furniture and Equipment	Furniture and Equipment	–	53	–	–
	0051: ISLAND HOLIDAY RESORT	TV	Furniture and Equipment	Furniture and Equipment	–	35	–	–
	0052: SWIMMING POOLS	CHAIRS	Machinery and Equipment	Machinery and Equipment	4	–	–	–
	0052: SWIMMING POOLS	TABLES	Machinery and Equipment	Machinery and Equipment	4	–	–	–
	0052: SWIMMING POOLS	CHLORINATOR	Sport and Recreation Facilities	Outdoor Facilities	21	35	–	–
	0052: SWIMMING POOLS	SWIMMING POOL PUMP	Sport and Recreation Facilities	Outdoor Facilities	60	–	–	–
	0052: SWIMMING POOLS	LANE DIVIDERS	Sport and Recreation Facilities	Outdoor Facilities	–	75	–	–
	0055: SPORT STADIUMS	FENCING - MD JACOBS STADIUM	Sport and Recreation Facilities	Outdoor Facilities	550	–	–	–
	0055: SPORT STADIUMS	LIGHTS	Sport and Recreation Facilities	Outdoor Facilities	–	–	–	–
	0055: SPORT STADIUMS	FENCING - ROBERT GUNDA STADIUM	Sport and Recreation Facilities	Outdoor Facilities	–	500	–	–
	0055: SPORT STADIUMS	SOCCER POSTS & NETS	Sport and Recreation Facilities	Outdoor Facilities	–	40	–	–
	0056: REITZ PARK	LIGHTS	Sport and Recreation Facilities	Outdoor Facilities	42	–	–	–
	0056: REITZ PARK	FENCING	Sport and Recreation Facilities	Outdoor Facilities	–	200	–	–
	0057: CEMETRIES	UPGRADE - CEMETERIES	Community Facilities	Cemeteries/Crematoria	300	–	–	–
	0057: CEMETRIES	MOBILE TOILETS	Community Facilities	Capital Spares	–	60	–	–
	0057: CEMETRIES	CEMETERIES/CREMATORIA	Community Facilities	Cemeteries/Crematoria	–	120	–	–
	0057: CEMETRIES	UPGRADE - RIETFontein CEMETRY	Community Facilities	Cemeteries/Crematoria	–	250	–	–
	0057: CEMETRIES	UPGRADE - LOUISVALE CEMETRY	Community Facilities	Cemeteries/Crematoria	–	470	–	–
	0057: CEMETRIES	UPGRADE - PABALELLO CEMETRY	Community Facilities	Cemeteries/Crematoria	–	250	–	–
	0059: ELECTRICITY - ADMINISTRATION	CEMETERIES/CREMATORIA	Electrical Infrastructure	LV Networks	19,545	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	5806: ELECTRIFICATION OF 1000 HOUSES PAB&DAKOTA(CR	Electrical Infrastructure	LV Networks	833	–	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0059: ELECTRICITY - ADMINISTRATION	5807: EQUIPMENT FOR MONITORING OF SUPPLY QUALITY	Electrical Infrastructure	MV Networks	1,285	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	6082: ELECTRIFICATION OF NEW DEVELOPMENTS: DAKOTA R	Electrical Infrastructure	LV Networks	400	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	INEP - ELECTRIFICATION OF HOUSES	Electrical Infrastructure	LV Networks	–	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	INEP - ELECTRIFICATION OF HOUSES IN ROSEDALE	Electrical Infrastructure	LV Networks	5,296	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	INEP - COUNTERFUNDING	Electrical Infrastructure	MV Networks	6,100	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	INEP - UPGRADE POWER SUPPLY - LOUISVALE ROAD	Electrical Infrastructure	MV Networks	6,878	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	INEP - COUNTERFUNDING	Electrical Infrastructure	LV Networks	463	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	LOGGER	Machinery and Equipment	Machinery and Equipment	–	120	126	132
	0059: ELECTRICITY - ADMINISTRATION	AUTO-CAD	Licences and Rights	Computer Software and Applications	15	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 100 HOUSES - JURGENSKAMP	Electrical Infrastructure	LV Networks	–	–	–	3,090
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 135 HOUSES - DAKOTA ROAD	Electrical Infrastructure	LV Networks	–	–	4,035	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 160 HOUSES - DAKOTA ROAD	Electrical Infrastructure	LV Networks	–	4,786	–	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 180 HOUSES - DAKOTA ROAD	Electrical Infrastructure	LV Networks	–	–	–	7,478
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 200 HOUSES - KALKSLOOT	Electrical Infrastructure	LV Networks	–	–	5,983	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 840 HOUSES - LOUISVALE ROAD	Electrical Infrastructure	LV Networks	–	25,127	–	–
	0061: ELECTRICITY - MAINTENANCE	NEW STREETLIGHTS	Electrical Infrastructure	LV Networks	100	150	158	165
	0061: ELECTRICITY - MAINTENANCE	NEW STREETLIGHTS (VARIOUS AREAS)	Electrical Infrastructure	LV Networks	–	120	126	132
	0061: ELECTRICITY - MAINTENANCE	REPLACE STREETLIGHTS	Electrical Infrastructure	LV Networks	100	100	105	110
	0062: ELECTRICITY - DISTRIBUTION	5833: CABLE FAULT LOCATING EQUIPMENT	Electrical Infrastructure	MV Networks	500	–	–	–
	0062: ELECTRICITY - DISTRIBUTION	6085: ELECTRICAL SERVICES - INDUSTRIAL ERVENS	Electrical Infrastructure	MV Networks	1,776	–	–	–
	0062: ELECTRICITY - DISTRIBUTION	6156: VERVANGING VAN UITGEDIENDE KIOSKS EN TRANSFOR	Electrical Infrastructure	MV Networks	160	–	–	–
	0062: ELECTRICITY - DISTRIBUTION	NEW PRE-PAID METERS	Electrical Infrastructure	LV Networks	25	30	32	33
	0062: ELECTRICITY - DISTRIBUTION	PRE-PAID METERS (INDIGENT)	Electrical Infrastructure	LV Networks	25	30	32	33
	0062: ELECTRICITY - DISTRIBUTION	CHAIR X 4	Furniture and Equipment	Furniture and Equipment	4	6	–	–
	0062: ELECTRICITY - DISTRIBUTION	DESK	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0062: ELECTRICITY - DISTRIBUTION	CLEARVU FENCING - SUBSTATIONS	Operational Buildings	Municipal Offices	304	460	500	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0062: ELECTRICITY - DISTRIBUTION	VERVANGING VAN KIOSK, TRANSFORMERS	Electrical Infrastructure	LV Networks	–	200	–	–
	0062: ELECTRICITY - DISTRIBUTION	CABLE FAULT LOCATING EQUIPMENT	Machinery and Equipment	Machinery and Equipment	–	–	–	–
	0062: ELECTRICITY - DISTRIBUTION	PETROL SAW	Machinery and Equipment	Machinery and Equipment	–	–	–	–
	0062: ELECTRICITY - DISTRIBUTION	BATTERIES - DELTA, ALFHA & VARIOUS	Machinery and Equipment	Machinery and Equipment	180	200	500	525
	0062: ELECTRICITY - DISTRIBUTION	FRIDGE	Furniture and Equipment	Furniture and Equipment	–	4	–	–
	0062: ELECTRICITY - DISTRIBUTION	SUBSTATIONS - MARKET PLAIN	Electrical Infrastructure	MV Substations	–	–	–	–
	0062: ELECTRICITY - DISTRIBUTION	UPGRADE ON ELECTRICAL NETWORK	Electrical Infrastructure	MV Substations	1,264	1,500	–	–
	0062: ELECTRICITY - DISTRIBUTION	UPGRADE ON MINI-SUBSTATIONS X 5	Electrical Infrastructure	MV Substations	–	1,500	–	–
	0063: ELECTRICITY - PLANNING & METERING	NEW ELECTRICITY METERS (PURCHASED BY CONSUMER)	Electrical Infrastructure	LV Networks	200	400	–	–
	0063: ELECTRICITY - PLANNING & METERING	REPLACE ELECTRICAL METERS - CONSUMERS	Electrical Infrastructure	LV Networks	200	400	–	–
	0066: WATER PRODUCTION	BUILDING IMPROVEMENT - AHS WTW	Water Supply Infrastructure	Water Treatment Works	30	–	–	–
	0066: WATER PRODUCTION	KALAHARI POMPSTASIE	Water Supply Infrastructure	Water Treatment Works	100	–	–	–
	0066: WATER PRODUCTION	BLOWER (BACKWASH)	Water Supply Infrastructure	Water Treatment Works	45	–	–	–
	0066: WATER PRODUCTION	RESERVOIR X 4	Water Supply Infrastructure	Reservoirs	250	–	–	–
	0066: WATER PRODUCTION	EMERGENCY UPGRADE AT KEIDEBEES RESERVOIR	Water Supply Infrastructure	Water Treatment Works	520	–	–	–
	0066: WATER PRODUCTION	CONSTRUCTION OF SPEEDBUMPS AND ROUND-ABOUTS	Roads Infrastructure	Roads	–	–	–	–
	0066: WATER PRODUCTION	REPLACEMENT OF WORN-OUT PUMPS, VALVES, SWITCHGEAR	Water Supply Infrastructure	Water Treatment Works	150	–	–	–
	0066: WATER PRODUCTION	REPLACEMENT OF WORN-OUT PUMPS, VALVES, SWITCHGEAR	Water Supply Infrastructure	Water Treatment Works	50	–	–	–
	0066: WATER PRODUCTION	INDUSTRIAL GENERATORS X2 (1MVA FOR ABSTRACTION AHS	Electrical Infrastructure	Power Plants	–	5,000	2,500	–
	0066: WATER PRODUCTION	LABORATORY EQUIPMENT	Machinery and Equipment	Machinery and Equipment	–	120	125	130
	0066: WATER PRODUCTION	FENCE (ELECTRIFY)	Operational Buildings	Depots	–	350	350	350
	0066: WATER PRODUCTION	STORAGE CONTAINER - KAROS	Operational Buildings	Stores	–	–	–	38
	0066: WATER PRODUCTION	STORAGE CONTAINER - LEERKRANS	Operational Buildings	Stores	–	–	–	38
	0066: WATER PRODUCTION	STORAGE CONTAINER - LESEDING	Operational Buildings	Stores	–	35	–	–
	0066: WATER PRODUCTION	STORAGE CONTAINER - LOUISVALE	Operational Buildings	Stores	–	–	35	–
	0066: WATER PRODUCTION	STORAGE CONTAINER - NTSIKELELO	Operational Buildings	Stores	–	35	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0066: WATER PRODUCTION	STORAGE CONTAINER - RAASWATER	Operational Buildings	Stores	–	–	35	–
	0066: WATER PRODUCTION	CAMERA SYSTEM	Operational Buildings	Municipal Offices	–	–	100	–
	0066: WATER PRODUCTION	RAW WATER PUMP	Water Supply Infrastructure	Pump Station	–	3,250	–	–
	0066: WATER PRODUCTION	REPLACEMENT OF WORN-OUT PUMPS, VALVES, SWITCHGEAR AND METERS - HQ	Water Supply Infrastructure	Pump Station	–	150	160	160
	0066: WATER PRODUCTION	REPLACEMENT OF WORN-OUT PUMPS, VALVES, SWITCHGEAR AND METERS - SATELLITE	Water Supply Infrastructure	Pump Station	–	100	60	60
	0066: WATER PRODUCTION	RESERVOIR X 4	Water Supply Infrastructure	Reservoirs	–	250	–	–
	0066: WATER PRODUCTION	BLOWER (BACKWASH)	Water Supply Infrastructure	Water Treatment Works	–	150	–	–
	0066: WATER PRODUCTION	BUILDING IMPROVEMENTS - AHS WTW	Water Supply Infrastructure	Water Treatment Works	–	40	45	50
	0066: WATER PRODUCTION	CHLORINATOR	Water Supply Infrastructure	Water Treatment Works	–	70	–	–
	0066: WATER PRODUCTION	KALAHARI POMPSTASIE	Water Supply Infrastructure	Water Treatment Works	–	150	–	–
	0066: WATER PRODUCTION	NTSIKELELO - PIPELINE FROM EXTRACTION POINT TO RESERV	Water Supply Infrastructure	Water Treatment Works	–	100	–	–
	0066: WATER PRODUCTION	NTSIKELELO - WATER EXTRACTION POINT	Water Supply Infrastructure	Water Treatment Works	–	150	–	–
	0066: WATER PRODUCTION	UPGRADE PURIFICATION PLANTS - LAMBRECHTSDRIFT	Water Supply Infrastructure	Water Treatment Works	–	–	500	–
	0066: WATER PRODUCTION	UPGRADE PURIFICATION PLANTS - LESEDING	Water Supply Infrastructure	Water Treatment Works	–	500	–	–
	0066: WATER PRODUCTION	UPGRADE PURIFICATION PLANTS & RESERVOIR - RAASWATER	Water Supply Infrastructure	Water Treatment Works	–	–	–	500
	0067: WATER DISTRIBUTION NETWORKS	KAMEELMOND WWTW - RBIG (COUNTER)	Water Supply Infrastructure	Distribution Points	8,000	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	CONSTRUCT NEW/UPGRADED BULK OUTFALL SEWER	Water Supply Infrastructure	Distribution Points	4,318	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	CONSTRUCTION OF NEW LOUISVALE ROAD SEWERAGE PUMP	Water Supply Infrastructure	Distribution Points	8,696	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	RESERVOIR - EXTRA CAPACITY	Water Supply Infrastructure	Distribution Points	150	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	COMMUNAL STANDPIPES AND PRE-PAID WATER METERS	Water Supply Infrastructure	Distribution Points	700	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	AUTOMATIC METER READERS (CONVENTIONAL & PRE-PAID)	Water Supply Infrastructure	Distribution Points	150	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	STANDPIPES AND VALVES AT VERGENOEG(ROSEDALE)	Water Supply Infrastructure	Distribution Points	5	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	REPLACEMENT OF WORN-OUT CONVENTIONAL WATERMETER	Water Supply Infrastructure	Water Treatment Works	460	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	REPLACEMENT OF WORN-OUT PRE-PAID WATERMETERS	Water Supply Infrastructure	Water Treatment Works	400	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	AUGMENTATION OF NOENIEPUT WATER SUPPLY	Water Supply Infrastructure	Distribution	8,623	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	NEW WATER PIPELINE HAKSKEEN PAN	Water Supply Infrastructure	Distribution	1,565	–	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0067: WATER DISTRIBUTION NETWORKS	MOBILE GPS	Machinery and Equipment	Machinery and Equipment	–	15	–	–
	0067: WATER DISTRIBUTION NETWORKS	SUPPLY AND DELIVERY OF MOBILE GPS	Machinery and Equipment	Machinery and Equipment	–	5	–	–
	0067: WATER DISTRIBUTION NETWORKS	OFFICE EQUIPMENT - DIRECTORATE	Furniture and Equipment	Furniture and Equipment	–	15	–	–
	0067: WATER DISTRIBUTION NETWORKS	NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	Water Supply Infrastructure	Distribution	–	–	2,174	3,043
	0067: WATER DISTRIBUTION NETWORKS	COMMUNAL STANDPIPES - SMARTIES/RAASWATER	Water Supply Infrastructure	Distribution Points	–	1,250	–	–
	0067: WATER DISTRIBUTION NETWORKS	COMMUNAL STANDPIPES - COUPLES VALLEY	Water Supply Infrastructure	Distribution Points	–	203	–	–
	0067: WATER DISTRIBUTION NETWORKS	COMMUNAL STANDPIPES - DAKOTA ROADS	Water Supply Infrastructure	Distribution Points	–	–	–	500
	0067: WATER DISTRIBUTION NETWORKS	COMMUNAL STANDPIPES - JURGENKAMP	Water Supply Infrastructure	Distribution Points	–	–	–	1,500
	0067: WATER DISTRIBUTION NETWORKS	COMMUNAL STANDPIPES - ROSEDALE	Water Supply Infrastructure	Distribution Points	–	–	2,000	–
	0067: WATER DISTRIBUTION NETWORKS	CONSTRUCT NEW/UPGRADED BULK OUTFALL SEWER	Water Supply Infrastructure	Distribution Points	–	600	–	–
	0067: WATER DISTRIBUTION NETWORKS	CONSTRUCTION OF SPEEDBUMPS AND ROUND-ABOUTS	Water Supply Infrastructure	Distribution Points	–	400	–	–
	0067: WATER DISTRIBUTION NETWORKS	NEW CONVENTIONAL WATERMETERS	Water Supply Infrastructure	Distribution Points	–	250	–	–
	0067: WATER DISTRIBUTION NETWORKS	AUGMENTATION - SWARTKOPDAM WATER SUPPLY	Water Supply Infrastructure	Distribution Points	–	200	800	–
	0067: WATER DISTRIBUTION NETWORKS	AUGMENTATION OF NOENIEPUT WATER SUPPLY	Water Supply Infrastructure	Distribution Points	–	5,328	–	–
	0067: WATER DISTRIBUTION NETWORKS	REPLACEMENT OF >50MM WATERMETERS	Water Supply Infrastructure	Distribution Points	–	400	–	–
	0067: WATER DISTRIBUTION NETWORKS	WATER RETICULATION - 250 ERVENS LOUISVALE	Water Supply Infrastructure	Distribution Points	–	–	3,500	–
	0067: WATER DISTRIBUTION NETWORKS	WATER RETICULATION - 330 ERVENS SMARTIES	Water Supply Infrastructure	Distribution Points	–	–	–	4,947
	0067: WATER DISTRIBUTION NETWORKS	WATER RETICULATION - 434 ERVENS VERGENOEG	Water Supply Infrastructure	Distribution Points	–	–	–	6,506
	0067: WATER DISTRIBUTION NETWORKS	WATER RETICULATION - 450 ERVENS WESTERKIM	Water Supply Infrastructure	Distribution Points	–	–	–	6,746
	0067: WATER DISTRIBUTION NETWORKS	WSIG:CONSTRUC-NEW LOUISVALE ROAD SEWAGE PUMPSTAT	Water Supply Infrastructure	Distribution Points	–	7,478	–	–
	0071: RISK MANAGEMENT	OFFICE CHAIR: MPAC OFFICER (HIGH BACK SWVEL)	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0071: RISK MANAGEMENT	OFFICE DESK: MPAC OFFICER	Furniture and Equipment	Furniture and Equipment	4	–	–	–
	0071: RISK MANAGEMENT	OFFICE PEDESTAL: MPAC OFFICER	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0071: RISK MANAGEMENT	VISITOR CHAIR X 1: MPAC OFFICER	Furniture and Equipment	Furniture and Equipment	–	–	–	–
	0071: RISK MANAGEMENT	TEAMRISK - RISK MANAGEMENT	Licences and Rights	Computer Software and Applications	25	–	–	–
	0071: RISK MANAGEMENT	FRIDGE	Furniture and Equipment	Furniture and Equipment	–	5	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0071: RISK MANAGEMENT	TV	Furniture and Equipment	Furniture and Equipment	–	7	–	–
	0071: RISK MANAGEMENT	VISITOR CHAIR X 1: MPAC OFFICER	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0073: DIRECTOR PLANNING AND DEVELOPMENT	TV	Furniture and Equipment	Furniture and Equipment	–	7	–	–
	0077: COMMUNITY AND OVERTIME	SUPPLY AND DELIVERY OF 5000L MOBILE WATER TANKS	Machinery and Equipment	Machinery and Equipment	–	100	–	–
	0077: COMMUNITY AND OVERTIME	CHAIR - CLERK	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0077: COMMUNITY AND OVERTIME	CHAIR - HEAD	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0077: COMMUNITY AND OVERTIME	DESK - CLERK	Furniture and Equipment	Furniture and Equipment	–	4	–	–
	0077: COMMUNITY AND OVERTIME	DESK - HEAD	Furniture and Equipment	Furniture and Equipment	–	4	–	–
	0077: COMMUNITY AND OVERTIME	VISITOR CHAIRS	Furniture and Equipment	Furniture and Equipment	–	3	–	–
	0078: PMU	COMPUTER EQUIPMENT	Computer Equipment	Computer Equipment	–	–	–	–
	0078: PMU	OFFICE FURNITURE AND EQUIPMENT	Furniture and Equipment	Furniture and Equipment	64	–	–	–
	0078: PMU	1165: KLEIN MIER: UPGRADING OF GRAVEL ROADS TO PAVED R	Roads Infrastructure	Roads	4,025	5,028	–	–
	0078: PMU	1362:MIER: ASKHAM/KAMEELDUIN INTERNAL STREETS PHASE 3	Roads Infrastructure	Roads	4,037	–	–	–
	0078: PMU	PAVING OF STREET - LOUISVALE ROAD	Roads Infrastructure	Roads	9,454	505	–	–
	0078: PMU	PAVING OF STREET - ROSEDALE	Roads Infrastructure	Roads	1,930	7,201	7,826	–
	0078: PMU	UPGRADING STREETS IN LOUBOS	Roads Infrastructure	Roads	2,875	435	5,217	5,217
	0078: PMU	1116:LOUBOS: CONSTRUCTION OF NEW OXIDATION PONDS	Sanitation Infrastructure	Waste Water Treatment Works	201	2,433	–	–
	0078: PMU	1369:MELKSTROOM: BULK SEWER PROVISION	Sanitation Infrastructure	Waste Water Treatment Works	–	435	4,348	435
	0078: PMU	VARIOUS SPORT GROUNDS	Sport and Recreation Facilities	Outdoor Facilities	–	4,255	1,783	4,435
	0078: PMU	1372:MELKSTROOM: BULK WATER PROVISION	Water Supply Infrastructure	Bulk Mains	868	–	–	–
	0078: PMU	HIGH MAST LIGHTS	Electrical Infrastructure	LV Networks	–	–	–	8,696
	0078: PMU	MICROSOFT PROJECTS	Licences and Rights	Computer Software and Applications	–	17	–	–
	0078: PMU	1165: KLEIN MIER: UPGRADING OF GRAVEL ROADS TO PAVED R	Sport and Recreation Facilities	Outdoor Facilities	–	7,826	–	–
	0078: PMU	PRE-PAID WATER METERS (VARIOUS AREAS)	Water Supply Infrastructure	Distribution Points	–	435	2,609	4,445
	0085: BUDGET AND TREASURY OFFICE	CHAIR: SALARY OFFICE	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0085: BUDGET AND TREASURY OFFICE	SCANNER (HEAVY DUTY - BTO)	Furniture and Equipment	Furniture and Equipment	8	–	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	0085: BUDGET AND TREASURY OFFICE	TILES - CREDITORS OFFICES	Operational Buildings	Municipal Offices	–	6	–	–
	0085: BUDGET AND TREASURY OFFICE	TILES - OFFICE 027	Operational Buildings	Municipal Offices	–	6	–	–
	0085: BUDGET AND TREASURY OFFICE	TILES - OFFICE 028	Operational Buildings	Municipal Offices	–	6	–	–
	0085: BUDGET AND TREASURY OFFICE	TILES - SALARY OFFICE	Operational Buildings	Municipal Offices	–	6	–	–
	0085: BUDGET AND TREASURY OFFICE	SCANNER (HEAVY DUTY - CREDITORS)	Furniture and Equipment	Furniture and Equipment	8	–	–	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	STORE: ELECTRICAL EQUIPMENT	Operational Buildings	Stores	500	1,500	–	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	DIGI MICRON METER	Machinery and Equipment	Machinery and Equipment	4	–	–	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	BAR FRIDGE	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	AIRCONDITIONER (24000 BTU)	Operational Buildings	Municipal Offices	18	–	–	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	TROLLEY JACK	Machinery and Equipment	Machinery and Equipment	–	5	–	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	CHAIR - ASS ACCOUNTANT CONTRACT MANAGEMENT	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	CHAIR - BUYERS	Furniture and Equipment	Furniture and Equipment	–	5	–	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	PAVING	Operational Buildings	Yards	–	350	–	–
	0088: ASSET MANAGEMENT UNIT	CHAIR: MANAGER: ASSET MANAGEMENT	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	0088: ASSET MANAGEMENT UNIT	CHAIR: ASSISTANT ACCOUNTANT MOVABLE ASSETS	Furniture and Equipment	Furniture and Equipment	2	2	–	–
	0088: ASSET MANAGEMENT UNIT	CHAIR - (SENIOR CLERK MOVABLE ASSETS)	Furniture and Equipment	Furniture and Equipment	–	2	–	–
	0088: ASSET MANAGEMENT UNIT	DESK - (ASSISTANT ACCOUNTANT MOVABLE ASSETS)	Furniture and Equipment	Furniture and Equipment	–	4	–	–
	0088: ASSET MANAGEMENT UNIT	TABLET - TGIS	Machinery and Equipment	Machinery and Equipment	–	20	–	–
	1004: MASINCEDANE LIBRARY PROJECT	5865: FORUM - AIR CONDITIONERS	Community Facilities	Libraries	35	–	–	–
	1004: MASINCEDANE LIBRARY PROJECT	5875: RIETFontein - AIRCON	Community Facilities	Libraries	50	–	–	–
	1004: MASINCEDANE LIBRARY PROJECT	5880: RIETFontein - CARPET (3X3)	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	1004: MASINCEDANE LIBRARY PROJECT	5881: RIETFontein - NAME-PLATE	Furniture and Equipment	Furniture and Equipment	3	–	–	–
	1004: MASINCEDANE LIBRARY PROJECT	5885: LOUBOS - CARPET (3X3)	Furniture and Equipment	Furniture and Equipment	2	–	–	–
	1004: MASINCEDANE LIBRARY PROJECT	5886: LOUBOS - NAME-PLATE	Furniture and Equipment	Furniture and Equipment	3	–	–	–
	1004: MASINCEDANE LIBRARY PROJECT	5887: Klein Mier - AIRCON	Community Facilities	Libraries	20	–	–	–
	1004: MASINCEDANE LIBRARY PROJECT	5891: Klein Mier - CARPET (3X3)	Furniture and Equipment	Furniture and Equipment	2	–	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2018/19 Full Year Forecast	2019/20 Medium Term Revenue & Expenditure Framework		
						Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	1004: MASINCEDANE LIBRARY PROJECT	5892: KLEIN MIER - NAME-PLATE	Furniture and Equipment	Furniture and Equipment	3	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	5893: PHILANDERSBRON - AIRCON	Community Facilities	Libraries	20	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	5897: PHILANDERSBRON - NAME-PLATE	Furniture and Equipment	Furniture and Equipment	3	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	5898: PHILANDERSBRON - CARPET (3X3)	Furniture and Equipment	Furniture and Equipment	2	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	5899: WELKOM - AIRCON	Community Facilities	Libraries	20	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	5903: WELKOM - CARPET (3X3)	Furniture and Equipment	Furniture and Equipment	2	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	5904: WELKOM - NAME-PLATE	Furniture and Equipment	Furniture and Equipment	3	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	6113: 4 AIRCONS BY HOOFBIB IN UPINGTON (ROLL-OVER)	Community Facilities	Libraries	90	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	BLINDS MAIN LIBRARY	Community Facilities	Libraries	46	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	BURGLAR BARS MIER LIBRARIES	Community Facilities	Libraries	104	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	PALLISADE (LOUBOS)	Community Facilities	Libraries	87	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	LIBRARY UPGRADES	Community Facilities	Libraries	-	-	-	-
	1022: EEDSM	EEDSM 2018/2019 AND COUNTER FUNDING	Electrical Infrastructure	LV Networks	2,809	-	-	-
	1022: EEDSM	EEDSM 2019-2020	Electrical Infrastructure	LV Networks	-	3,478	-	-
	1022: EEDSM	EEDSM 2020-2021	Electrical Infrastructure	LV Networks	-	-	3,478	-
	1022: EEDSM	EEDSM 2021-2022	Electrical Infrastructure	LV Networks	-	-	-	4,348
	1022: ENERGY EFFICIENCY & DEMAND SIDE	5907: EEDSM GRANT 2017-2018	Electrical Infrastructure	LV Networks	1,627	-	-	-
Parent Capital expenditure					140,330	144,420	87,879	105,331
Entities: <i>List all capital projects grouped by Entity</i>								
Entity A								
Entity B								
Entity Capital expenditure					-	-	-	-
Total Capital expenditure					140,330	144,420	87,879	105,331

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the municipality has successfully employed and trained four other interns through this programme and all of them were appointed in the municipality.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA and is currently being disclosed as part of Finance under A2A in terms of mSCOA version 6.3.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The draft SDBIP document is at a final stage and will be tabled to Council on the 28th of March 2019. The SDBIP is directly aligned and informed by the 2019/2020 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

The MFMA training module in electronic format is presented at the municipality's internal centres and training is on-going.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 63 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	83,630	103,597	110,177	111,183	111,183	111,183	114,134	119,922	126,518
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	8,224	10,275	10,715	10,935	10,935	10,935	7,372	7,815	8,244
Net Property Rates	75,406	93,323	99,462	100,248	100,248	100,248	106,762	112,107	118,273
Service charges - electricity revenue									
Total Service charges - electricity revenue	246,332	262,282	322,006	298,012	298,012	298,012	338,889	359,222	378,980
less Cost of Free Basis Services (50 kwh per indigent household per month)	4,085	5,160	5,350	5,721	5,721	5,721	6,150	6,518	6,877
Net Service charges - electricity revenue	242,247	257,122	316,656	292,291	292,291	292,291	332,740	352,704	372,103
Service charges - water revenue									
Total Service charges - water revenue	50,258	57,566	67,095	65,480	65,480	65,480	69,082	73,227	77,254
less Cost of Free Basis Services (6 kilolitres per indigent household per month)	2,673	3,157	4,109	2,867	2,867	2,867	3,025	3,161	3,287
Net Service charges - water revenue	47,585	54,408	62,987	62,614	62,614	62,614	66,057	70,066	73,967
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	33,826	41,643	43,763	46,918	46,918	46,918	49,499	52,468	55,354
less Cost of Free Basis Services (free sanitation service to indigent households)	6,562	8,066	9,106	9,477	9,477	9,477	9,998	10,598	11,181
Net Service charges - sanitation revenue	27,264	33,577	34,657	37,441	37,441	37,441	39,500	41,870	44,173
Service charges - refuse revenue									
Total refuse removal revenue	26,504	34,444	42,065	43,491	43,491	43,491	45,883	48,636	51,311
Total landfill revenue									
less Cost of Free Basis Services (removed once a week to indigent households)	6,241	7,864	8,770	10,446	10,446	10,446	11,021	11,682	12,325
Net Service charges - refuse revenue	20,263	26,580	33,295	33,045	33,045	33,045	34,863	36,954	38,987
Other Revenue by source									
Actuarial Gain	4,011	22,681	—	—	—	—	—	—	—
Administrative Handling Fees	616	267	26	468	468	468	409	434	458
Advertisements	519	123	—	—	—	—	—	—	—
Academic Services	—	—	15	—	—	—	—	—	—
Application Fees for Land Usage	—	84	18	150	150	150	158	168	177
Bad Debts Recovered	51	—	—	15	15	15	16	17	18
Breakages and Losses Recovered	0	86	3	1	1	1	1	1	1
Building Plan Approval	698	862	900	850	850	850	850	901	951
Camping Fees	209	40	265	265	265	265	265	281	296
Cemetery and Burial	142	205	212	230	230	230	243	257	271
Clearance Certificates	—	52	—	89	89	89	93	99	105
Commission	484	688	—	752	752	752	—	—	—
Development Charges	824	1,602	—	—	—	—	—	—	—
Discount Early Payments	25	1,771	—	24	24	24	—	—	—
Encroachment Fees	129	61	10	62	62	62	62	66	70
Entrance Fees	254	328	1,288	1,218	1,218	1,218	1,148	1,217	1,284
Escort Fees	—	—	—	6	6	6	6	7	7
Exempted Parking	4	4	3	3	3	3	3	3	3
Fair Value Gains on Investment Property	22,529	22,319	10,000	10,000	10,000	10,000	20,000	20,050	18,000
Fire Services	—	193	100	50	50	50	53	55	57
Incidental Cash Surpluses	21	29	1	1	1	1	2	2	2
Inspection Fees	—	33	50	63	63	63	66	69	72
Insurance Refund	140	445	—	200	200	200	200	212	224
Legal Fees Recovered	—	—	—	—	—	—	500	—	—
Library Fees	9	15	—	2	2	2	2	2	2
Materials and Equipment	—	—	—	—	—	—	—	—	—
Motor Vehicle Licences	—	—	500	2,700	2,700	2,700	2,849	3,019	3,185
Occupation Certificates	—	6	11	8	8	8	7	7	8
Other Revenue	—	—	251	—	—	—	—	—	—
Parking Fees	4	29	40	50	50	50	53	56	59
Photocopies and Faxes	216	127	21	30	30	30	32	34	36
Publications	0	0	5	1	1	1	1	1	1
Recovery of Infrastructure Maintenance	—	85	90	85	85	85	90	95	101
Registration Fees	17	22	50	20	20	20	21	22	23
Removal of Restrictions	—	—	—	0	0	0	—	—	—
Request for Information	91	73	9	25	25	25	21	22	23
Sale of Consumables	—	30	—	9	9	9	9	10	10
Sale of Goods	—	0	—	0	0	0	0	0	0
Skills Development Levy Refund	203	195	300	321	321	321	334	349	363
Staff Recoveries	7	3	—	8	8	8	5	5	5
Stone and Gravel	48	40	12	90	90	90	95	101	106
Sub-Division and Consolidation Fees	118	115	2,000	700	700	700	400	424	447
Traffic Control	359	184	40	16	16	16	17	18	19
Town Planning and Servitudes	2,864	3,694	3,000	3,420	3,420	3,420	3,608	3,825	4,035
Water Meter Protectors	10	2	—	—	—	—	—	—	—
Total 'Other' Revenue	34,602	56,494	19,220	21,931	21,931	21,931	31,617	31,826	30,417

**Table 63 MBRR Table SA1 - Supporting detail to budgeted financial performance
(continue)**

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	152,460	192,412	215,481	212,530	212,530	212,530	203,359	225,929	243,846
Pension and UIF Contributions	26,849	33,499	34,972	36,540	36,540	36,540	39,204	41,752	44,466
Medical Aid Contributions	12,088	13,583	15,201	14,185	14,185	14,185	15,146	16,131	17,179
Overtime	15,813	19,865	19,685	17,304	17,304	17,304	18,428	19,626	20,901
Performance Bonus	984	1,067	1,082	862	862	862	1,035	1,103	1,174
Motor Vehicle Allowance	3,600	4,161	4,768	5,423	5,423	5,423	6,900	7,349	7,826
Cellphone Allowance	—	—	89	87	87	87	93	99	105
Housing Allowances	1,566	1,986	850	1,830	1,830	1,830	1,949	2,076	2,211
Other benefits and allowances	8,689	10,045	8,824	10,996	10,996	10,996	11,708	12,469	13,280
Payments in lieu of leave	1,115	4,797	2,000	—	—	—	—	—	—
Long service awards	—	—	42	—	—	—	—	—	—
Post-retirement benefit obligations	15,150	24,328	22,500	24,550	24,550	24,550	14,552	15,207	15,815
sub-total	238,312	305,744	325,494	324,309	324,309	324,309	312,376	341,741	366,805
Less: Employees costs capitalised to PPE	84	117	—	—	—	—	—	—	—
Total Employee related costs	238,228	305,627	325,494	324,309	324,309	324,309	312,376	341,741	366,805
Contributions recognised - capital									
Total Contributions recognised - capital	—	—	—	—	—	—	—	—	—
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	78,844	103,881	95,594	95,594	95,594	95,594	95,594	99,895	103,891
Capital asset impairment	225	209	—	—	—	—	—	—	—
Total Depreciation & asset impairment	79,069	104,090	95,594	95,594	95,594	95,594	95,594	99,895	103,891
Bulk purchases									
Electricity Bulk Purchases	153,934	173,017	178,500	178,500	178,500	178,500	184,566	203,060	211,183
Water Bulk Purchases	5,326	3,895	7,000	4,500	4,500	4,500	4,180	4,891	5,086
Total bulk purchases	159,260	176,912	185,500	183,000	183,000	183,000	188,746	207,951	216,269
Transfers and grants									
Cash transfers and grants	521	929	1,646	1,409	1,409	1,409	1,534	1,603	1,667
Non-cash transfers and grants	—	—	—	—	—	—	—	—	—
Total transfers and grants	521	929	1,646	1,409	1,409	1,409	1,534	1,603	1,667
Contracted services									
Alien Vegetation Control	—	—	55	—	—	—	—	—	—
Artists and Performers	6	60	150	129	129	129	134	140	146
Auctioneers	—	—	7	30	30	30	35	37	38
Audio-Visual Services	—	—	25	—	—	—	—	—	—
Audit Committee	—	—	171	133	133	133	—	—	—
Business and Advisory	158	136	—	—	—	—	135	142	148
Business and Financial Management	4,044	2,083	3,399	1,892	1,892	1,892	4,681	4,181	4,275
Catering	48	230	314	245	245	245	299	302	315
Civil Engineering	—	235	395	200	200	200	2,728	1,283	1,335
Cleaning and Grass Cutting	—	—	50	40	40	40	42	43	45
Cleaning Services	—	—	1	—	—	—	—	—	—
Contractors	—	3	—	—	—	—	—	—	—
Electrical Engineering	—	—	450	—	—	—	—	—	—
Employee Wellness Contractors	—	—	200	200	200	200	208	217	226
Event Promoters	—	30	—	43	43	43	45	47	49
Fire Protection Services	—	3	64	50	50	50	52	54	57
First Aid Contractors	—	—	11	5	5	5	5	5	6
Geodetic Control and Surveys	—	—	478	—	—	—	—	—	—
Hygiene Services	—	—	6	—	—	—	—	—	—
Inspection Fees	—	0	—	—	—	—	—	—	—
Land and Quantity Surveyors	146	169	1,707	1,418	1,418	1,418	—	—	—
Legal Advice and Litigation	691	1,517	1,263	1,450	1,450	1,450	1,706	1,790	1,862
Litter Picking and Street Cleaning	—	294	300	500	500	500	520	543	565
Maintenance - Buildings	623	414	846	674	674	674	778	813	845
Maintenance - Community Assets	—	94	593	803	803	803	925	966	1,005
Maintenance - Equipment	—	—	140	—	—	—	—	—	—
Maintenance - Infrastructure	2,495	1,075	2,600	2,765	2,765	2,765	9,470	4,149	4,315
Maintenance - Intangible Assets	—	472	490	490	490	490	510	533	554
Maintenance - Other Assets	2,666	2,418	1,224	5,506	5,506	5,506	5,471	5,717	5,946
Medical Examinations	112	221	250	250	250	250	260	272	283
Occupational Health and Safety	18	—	—	—	—	—	—	—	—
Organisational Structure	—	—	1,830	—	—	—	—	—	—
Pest Control and Fumigation	6	—	11	15	15	15	16	16	17
Plants, Flowers and Other Decorations	—	—	7	5	5	5	8	8	8
Project Management	122	—	—	—	—	—	—	—	—
Qualification Verification	6	8	30	60	60	60	62	65	68
Refuse Removal Contractors	391	389	500	420	420	420	650	679	706
Research and Advisory	—	250	480	55	55	55	176	184	191
Roads Laboratory Services	—	—	6	—	—	—	—	—	—
Security Services	464	586	474	719	719	719	791	826	859
Sewerage Services	—	—	450	450	450	450	468	489	509
Stage and Sound	—	168	160	175	175	175	187	190	198
Town Planners	—	2,901	546	—	—	—	—	—	—
Tracking Agents and Debt Collectors	84	152	133	485	485	485	504	527	548
Transport Services	—	16	—	40	40	40	42	43	45
Valuer and Assessors	212	266	2,227	950	950	950	2,968	1,989	509
Water Laboratory Services	731	1,154	1,228	1,353	1,353	1,353	1,407	1,470	1,529
sub-total	13,021	15,345	23,270	21,550	21,550	21,550	35,282	27,724	27,201
Allocations to organs of state:									
Total contracted services	13,021	15,345	23,270	21,550	21,550	21,550	35,282	27,724	27,201

**Table 63 MBRR Table SA1 - Supporting detail to budgeted financial performance
(continue)**

Description	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Other Expenditure By Type									
Audit fees	6,838	4,897	5,626	4,826	4,826	4,826	5,020	5,246	5,456
General expenses	-	-	224	-	-	-	-	-	-
Achievements and Awards	59	37	-	-	-	-	-	-	-
Advertising	453	362	417	478	478	478	674	570	593
Assets less than Capitalisation Threshold	284	668	230	742	742	742	804	840	874
Bad Debt Written Off	4,716	1,405	5,500	15,653	15,653	15,653	8,140	8,371	8,586
Bank Charges	1,604	1,349	1,485	1,631	1,631	1,631	1,696	1,773	1,844
Bursaries	53	-	100	50	50	50	52	54	57
Cleaning Services	21	1	-	1	1	1	1	1	1
Commission	3,474	4,231	4,307	4,589	4,589	4,589	5,105	5,411	5,652
Communication	4,164	4,614	4,625	5,405	5,405	5,405	5,800	6,061	6,303
Copy Right Fees	5	-	-	-	-	-	-	-	-
Courier and Delivery Services	16	17	61	19	19	19	31	32	33
Drivers Licences and Permits	-	17	15	20	20	20	20	21	22
Entertainment	148	42	150	20	20	20	125	130	136
Entrance Fees	67	-	-	-	-	-	47	49	51
Eskom Connection Fees	116	-	-	-	-	-	-	-	-
External Computer Services	2,799	2,678	2,194	1,484	1,484	1,484	4,658	3,576	3,730
Furniture and Office Equipment - Operational Leases	-	-	-	84	84	84	576	602	626
Hire Charges	157	443	759	2,770	2,770	2,770	2,574	2,677	2,793
Indigent Relief	(9)	-	-	-	-	-	-	-	-
Insurance	1,139	1,779	1,940	1,559	1,559	1,559	1,621	1,694	1,762
Laundry Services - Cleaning Services	-	-	-	0	0	0	-	-	-
Levies Paid - Water Resource Management Charges	-	179	-	500	500	500	520	543	565
Licences	-	627	660	660	660	660	686	717	746
Loss on Inventory	347	9	-	-	-	-	-	-	-
Machinery and Equipment	53	-	-	-	-	-	-	-	-
Management Fee	-	8	9	10	10	10	10	11	11
Municipal Activities - Transport Provided	-	71	-	15	15	15	15	16	16
Municipal Consumption	264	1,454	7,275	2,994	2,994	2,994	3,353	3,554	3,696
Performing Arts	-	-	-	35	35	35	36	38	40
Personnel Agency Fees	6	9	-	-	-	-	-	-	-
Printing, Publications and Books	1,637	566	217	354	354	354	386	367	381
Professional Bodies	2,523	2,891	2,766	2,952	2,952	2,952	3,153	3,295	3,427
Radio and TV Licences	-	-	105	-	-	-	-	-	-
Registration Fees	-	-	2	2	2	2	-	-	-
Resettlement Costs	65	-	40	40	40	40	42	43	45
Road and Transport	-	0	-	-	-	-	-	-	-
Road Worthy Test	-	2	-	-	-	-	-	-	-
Seminars, Conferences, Workshops and Events	326	635	154	678	678	678	773	808	841
Signage	27	9	45	40	40	40	42	43	45
Skills Development Levy	-	-	2,269	2,336	2,336	2,336	2,501	2,662	2,835
Small Differences Tolerances	4	-	6	4	4	4	6	6	6
Supplier Development Programme	-	-	58	50	50	50	68	37	38
System Access and Information Fees	-	344	417	1,501	1,501	1,501	213	218	223
Travel Agency and Visa's	-	-	-	13	13	13	5	5	5
Travel and Subsistence	2,298	2,719	3,068	2,777	2,777	2,777	4,580	4,379	4,556
Uniform and Protective Clothing	704	1,013	1,470	1,462	1,462	1,462	1,793	1,874	1,949
Vehicle Tracking	111	484	350	380	380	380	380	397	413
Ward Councillors	233	484	960	960	960	960	960	-	-
Total 'Other' Expenditure	34,703	34,044	47,504	57,094	57,094	57,094	56,466	56,124	58,357
Repairs and Maintenance									
Employee related costs	-	-	-	-	-	-	-	-	-
Other materials	5,195	9,494	10,023	8,969	8,969	8,969	10,499	10,972	11,411
Contracted Services	5,906	4,473	5,893	10,238	10,238	10,238	17,154	12,178	12,665
Other Expenditure	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	11,101	13,967	15,916	19,207	19,207	19,207	27,653	23,150	24,076

**Table 64 MBRR Table SA2 – Matrix financial performance budget
(Revenue source / expenditure type and department)**

Description	Vote 1 - Municipal Manager	Vote 2 - Corporate Services	Vote 3 - Budget & Treasury Office	Vote 4 - Community Services	Vote 5 - Technical Director	Vote 6 - Electro Mechanical Services	Vote 7 - Civil Engineering Services	Vote 8 - Planning and Development Services	Total
R thousand									
Revenue By Source									
Property rates	-	-	106,762	-	-	-	-	-	106,762
Service charges - electricity revenue	-	-	-	-	-	332,740	-	-	332,740
Service charges - water revenue	-	-	-	-	-	-	66,057	-	66,057
Service charges - sanitation revenue	-	-	-	-	-	-	39,500	-	39,500
Service charges - refuse revenue	-	-	-	34,863	-	-	-	-	34,863
Rental of facilities and equipment	-	3,500	-	127	-	-	-	3,214	6,842
Interest earned - external investments	-	-	4,465	-	-	-	-	-	4,465
Interest earned - outstanding debtors	-	-	3,687	-	-	-	-	-	3,687
Fines, penalties and forfeits	-	-	100	5,728	-	60	-	100	5,988
Licences and permits	-	-	-	960	-	-	-	158	1,118
Other revenue	-	21,210	430	4,369	-	-	185	5,422	31,617
Transfers and subsidies	-	-	87,895	3,172	-	2,765	1,531	6,170	101,533
Gains on disposal of PPE	-	15,000	-	-	-	-	-	-	15,000
Total Revenue (excluding capital transfers and contributions)	-	39,710	203,339	49,219	-	335,565	107,273	15,065	750,171
Expenditure By Type									
Employee related costs	11,577	31,944	38,052	105,986	-	23,007	73,364	28,446	312,376
Remuneration of councillors	12,037	-	-	-	-	-	-	-	12,037
Debt impairment	-	-	10,000	-	-	-	-	-	10,000
Depreciation & asset impairment	121	5,497	1,292	23,622	-	19,569	44,709	785	95,594
Finance charges	-	-	2	-	-	4,837	6,148	-	10,987
Bulk purchases	-	-	-	-	-	184,566	4,180	-	188,746
Other materials	128	1,140	1,046	4,678	-	15,618	6,658	928	30,196
Contracted services	708	3,743	6,753	2,647	-	6,058	13,419	1,954	35,282
Transfers and subsidies	988	-	-	142	-	404	-	-	1,534
Other expenditure	3,284	6,771	26,202	17,469	-	(14,577)	14,571	2,746	56,466
Total Expenditure	28,842	49,096	83,347	154,543	-	239,482	163,048	34,859	753,217
Surplus/(Deficit)	(28,842)	(9,385)	119,992	(105,324)	-	96,082	(55,775)	(19,794)	(3,046)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	18,435	10,206	28,570	57,211
Surplus/(Deficit) after capital transfers & contributions	(28,842)	(9,385)	119,992	(105,324)	-	114,517	(45,569)	8,776	54,165

Table 65 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
ASSETS										
Call investment deposits										
Consumer debtors										
Consumer debtors	–	116,724	134,388	80,112	122,731	122,731	122,731	102,553	101,658	107,636
Less: Provision for debt impairment	–	(42,553)	(60,741)	(20,125)	(60,088)	(60,088)	(60,088)	(70,088)	(80,538)	(91,406)
Total Consumer debtors	–	74,171	73,647	59,987	62,644	62,644	62,644	32,465	21,120	16,231
Debt impairment provision										
Balance at the beginning of the year	–	28,860	42,553	5,125	45,088	45,088	45,088	60,088	70,088	80,538
Contributions to the provision	–	13,693	18,188	15,000	15,000	15,000	15,000	10,000	10,450	10,868
Balance at end of year	–	42,553	60,741	20,125	60,088	60,088	60,088	70,088	80,538	91,406
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	–	2,552,197	2,510,849	2,767,116	2,650,743	2,650,743	2,650,743	2,795,146	2,883,025	2,988,356
Less: Accumulated depreciation	–	738,585	839,597	933,710	935,190	935,190	935,190	1,030,784	1,130,679	1,234,571
Total Property, plant and equipment (PPE)	–	1,813,612	1,671,252	1,833,406	1,715,553	1,715,553	1,715,553	1,764,362	1,752,346	1,753,786
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	–	8,716	9,876	10,000	10,000	10,000	10,000	11,000	11,500	12,000
Total Current liabilities - Borrowing	–	8,716	9,876	10,000	10,000	10,000	10,000	11,000	11,500	12,000
Trade and other payables										
Trade Payables	–	59,644	76,310	30,000	70,000	70,000	70,000	75,000	72,175	72,175
Other creditors	–	26,051	34,090	40,611	58,102	58,102	58,102	60,000	52,000	60,000
Unspent conditional transfers	–	19,079	30,942	–	24	24	24	–	–	–
VAT	–	3,580	–	6,000	6,000	6,000	6,000	3,000	3,000	3,000
Total Trade and other payables	–	108,354	141,342	76,611	134,127	134,127	134,127	138,000	127,175	135,175
Non current liabilities - Borrowing										
Borrowing	–	104,021	105,315	89,077	95,191	95,191	95,191	84,191	72,691	60,691
Total Non current liabilities - Borrowing	–	104,021	105,315	89,077	95,191	95,191	95,191	84,191	72,691	60,691
Provisions - non-current										
Retirement benefits	–	104,253	100,778	139,253	125,328	125,328	125,328	116,880	112,087	109,902
List other major provision items	–	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation	–	157,925	82,104	157,925	82,104	82,104	82,104	82,104	82,104	82,104
Total Provisions - non-current	–	262,178	182,882	297,178	207,432	207,432	207,432	198,984	194,191	192,006
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	–	1,990,534	1,994,746	2,012,343	1,954,852	1,954,852	1,954,852	1,956,615	2,010,779	2,041,042
Restated balance	–	1,990,534	1,994,746	2,012,343	1,954,852	1,954,852	1,954,852	1,956,615	2,010,779	2,041,042
Surplus/(Deficit)	–	4,212	(39,894)	9,416	1,763	1,763	1,763	54,165	30,262	34,946
Accumulated Surplus/(Deficit)	–	1,994,746	1,954,852	2,021,759	1,956,615	1,956,615	1,956,615	2,010,779	2,041,042	2,075,988
Reserves										
Total Reserves	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	–	1,994,746	1,954,852	2,021,759	1,956,615	1,956,615	1,956,615	2,010,779	2,041,042	2,075,988

Table 66 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<u>Demographics</u>								
Population	The 80-20 Report on Local	100	93	93	93	93	93	93
Females aged 5 - 14	The 80-20 Report on Local	Information not available	Information not available	Information not available	Information	Information	Information	Information
Males aged 5 - 14	The 80-20 Report on Local	Information not available	Information not available	Information not available				
Females aged 15 - 34	The 80-20 Report on Local	Information not available	Information not available	Information not available				
Males aged 15 - 34	The 80-20 Report on Local	Information not available	Information not available	Information not available				
Unemployment	The 80-20 Report on Local	Information not available	Information not available	Information not available				
<u>Monthly household income (no. of</u>								
No income	The 80-20 Report on Local	Information not available	Information not available	Information not available	2,278	2,278	2,278	2,278
R1 - R1 600	The 80-20 Report on Local	Information not available	Information not available	Information not available	5,439	5,439	5,439	5,439
R1 601 - R3 200	The 80-20 Report on Local	Information not available	Information not available	Information not available	4,579	4,579	4,579	4,579
R3 201 - R6 400	The 80-20 Report on Local	Information not available	Information not available	Information not available	3,766	3,766	3,766	3,766
R6 401 - R12 800	The 80-20 Report on Local	Information not available	Information not available	Information not available	3,347	3,347	3,347	3,347
R12 801 - R25 600	The 80-20 Report on Local	Information not available	Information not available	Information not available	2,278	2,278	2,278	2,278
R25 601 - R51 200	The 80-20 Report on Local	Information not available	Information not available	Information not available	1,093	1,093	1,093	1,093
R52 201 - R102 400	The 80-20 Report on Local	Information not available	Information not available	Information not available	302	302	302	302
R102 401 - R204 800	The 80-20 Report on Local	Information not available	Information not available	Information not available	116	116	116	116
R204 801 - R409 600	The 80-20 Report on Local	Information not available	Information not available	Information not available	70	70	70	70
R409 601 - R819 200	The 80-20 Report on Local	Information not available	Information not available	Information not available				
> R819 200	The 80-20 Report on Local	Information not available	Information not available	Information not available				
<u>Poverty profiles (no. of households)</u>								
< R2 060 per household per month	The 80-20 Report on Local	Information not available	Information not available	Information not available	8554.16	8554.16	8554.16	8554.16
Insert description								
<u>Household/demographics (000)</u>								
Number of people in municipal area	The 80-20 Report on Local	Information not available	Information not available	Information not available	93	93	93	93
Number of poor people in municipal area		Information not available	Information not available	Information not available	-	-	-	-
Number of households in municipal area		Information not available	Information not available	Information not available	23	23	23	23
Number of poor households in municipal		Information not available	Information not available	Information not available	9	9	9	9
Definition of poor household (R per month)	The 80-20 Report on Local				2060 per month	2060 per month	2060 per month	2060 per month
	Government	Information not available	Information not available	Information not available				

Table 67 MBRR SA32 – List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
BIQ	Yrs	Ongoing	Information System - Financial System	Ongoing	250
IMIS	Yrs	Ongoing	Information System - Financial System	Ongoing	400
Alltech Netstar Fleet Solutions	Mths	Ongoing	Satellite Tracking System for Vehicles	Ongoing - 30 Days	348
Team Mate	Yrs	Ongoing	Information System - Financial System	Notice Period	18
Help U Agencies	Yrs	4	Rental of Offices for Councillors and Ward	Ongoing	30
			Committee Members		
RWT Trading	Yrs	2	Committee Members	Ongoing	30
IGNITE	Yrs	Ongoing	SDBIP System	Ongoing	262

2.15 Municipal manager's quality certificate

I _____, Municipal Manager of Dawid Kruiper Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

ELIAS NTOBA

Municipal Manager of Dawid Kruiper Municipality (NC087)

28 March 2019